

1.0 INTRODUCTION

The Accounts of the Government of Ekiti State, Nigeria for the year ended 31st December, 2018 have been audited under my direction in accordance with section 125 (2) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) and Section 26 (2) of Ekiti State Audit Law (No 11) of 2014.

1.1 RESPONSIBILITY OF THE ACCOUNTANT-GENERAL

In accordance with the provisions of Finance Control and Management Act, 1958 and Section 02001 of the Financial Administration, the Accountant-General is the Chief Accounts Officer for the receipts and payments of Government of Ekiti State. It is the responsibility of the Accountant-General to establish and maintain an adequate system of Internal Controls, designed to provide reasonable assurance that the transactions recorded are within statutory authority, properly record the use of public financial resources by the Government and to ensure that the Financial Statements fairly reflect the true financial position of Government and its operations in accordance with the provisions of above stated Act.

1.2 RESPONSIBILITY OF THE AUDITOR-GENERAL

The responsibility of the Auditor-General is to express an independent opinion on the Financial Statements of the State as prepared by the Accountant-General based on his audit in compliance with Section 125 (2) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) and Section 26 (2) of Ekiti State Audit Law (No 11) of 2014.

An audit in this context involves the examination on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements prepared by the Accountant-General.

It also includes an assessment of the significant estimates and judgments made in the preparation of the Financial Statements and whether the accounting policies are appropriate to Government circumstances, consistently applied and adequately disclosed.

1.3 RESPONSIBILITY OF THE PUBLIC ACCOUNTS COMMITTEE

It is the responsibility of the Public Accounts Committee of the House of Assembly to review the Auditor-General's Report with a view to ensuring enforcement of the recommendations made therein and impose sanctions where appropriate.

1.4 AUDITOR-GENERAL'S REPORT/AUDIT CERTIFICATE.

I have audited the Accounts of the Government of Ekiti State of Nigeria as at 31st December, 2018 as set out in Annexure I containing Ekiti State Financial Statements in accordance with Section 125 (2) of the Constitution of the Federal Republic of Nigeria 1999 (as amended) and Section 26 (2) of Ekiti State Audit Law (No 11) of 2014.

1.5 BASIS OF OPINION:

The Audit was conducted in accordance with International Standards on Auditing and Generally Accepted Public Sector and INTOSAI Auditing Standards.

These standards require that I comply with ethical requirements, plan and perform the audit to obtain reasonable assurance that the Financial Statements are free from material misstatements whether due to fraud or error. I also evaluated the overall adequacy of the presentation of information in the Financial Statements.

In the course of the Audit, I have obtained all the information and explanation that to the best of my knowledge and belief were necessary for the purpose of the audit and I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for independent opinion.

Ekiti State Government initiated accrual basis IPSAS on 1st January, 2017 and elected to adopt transitional exemptions in IPSAS 33 that allows it apply deemed cost and a transitional period of up to three years. As a result of adopting these transitional exemptions and provisions, the Ekiti State Government is not able to make an explicit and unreserved statement about its full compliance with accrual basis IPSASs. These financial statements are therefore referred to as the second transitional IPSAS financial statements of Ekiti State Government.

1.6 OPINION:

In my opinion the Financial Statements which include Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flow and Statement of Change in Net Assets / Equity as at 31st December, 2018 with supporting Notes, give a true and fair view of the state of affairs and financial position of the Government of Ekiti State for the fiscal year ended on that date subject to the observations and comments in the other parts of this report.



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FRC/2014/ANAN/00000010277
Auditor-General,
Ekiti-State.

2.0 APPRAISAL OF THE YEAR'S BUDGET PERFORMANCE

The aggregate revenue and expenditure projection for the State in 2018 was One Hundred and Eight Billion, Five Hundred and Thirty Eight Million, Seventy Two Thousand, Eight Hundred and Thirteen Naira and Fifty Two kobo (N108,538,072,813.52) only. The budget for the year under review was a balanced budget

The projected revenue showed an increase of N7,480,251,538.77 (or approximately 7.40%) when compared with its corresponding figure of N101,057,821,274.75 for the year 2017 while the budgeted expenditure increased by N15,446,216,779.11 (or approximately 16.60%) when compared with previous year's figure of N93,091,856,034.41.

The actual revenue for the current year was N76,716,106,897.27 and actual expenditure was N78,793,624,355.11 thus resulting to an aggregate deficit of N2,077,517,454.84. The performance level achieved by the revenue and expenditure was 70.68% and 72.60% respectively in the current year as against 68.57% and 79.90% attained in 2017.

Audit observed that the average revenue generated by the State in the past Five (5) years was N75,675,593,411.63 while the Budgeted revenue for the year under review was put at N101,538,072,813.52.

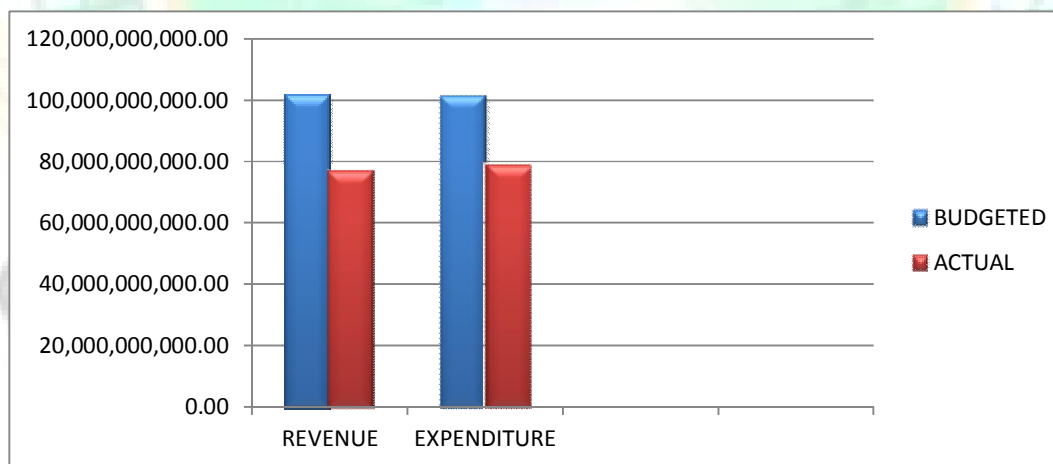
The gap between the two figures amounting to N28,862,479,401.89 or 28.42% of budgeted revenue depicted over – ambitiousness in the budgeted revenue and thus made the revenue target far from being realistic.

Audit is of the opinion that existence of significant budget errors undermines the ability of the Government to achieve goals and objectives set in the budget.

Now that the State Government had keyed into SFTAS programme, there are certain percentages set for expenditure out-turn, which are usually calculated on original budget figures which are expected to be met. This now call for setting realistic revenue and expenditure target in the budget.

The budget performance is shown below:

2.1 BAR CHART SHOWING THE 2018 BUDGET PERFORMANCE:



2.2 REVENUE PROFILE AT A GLANCE

RECURRENT RECEIPTS	ESTIMATE 2018	ACTUAL 2018	PERFORMANCE
	N	N	%
Government Share of FAAC	36,566,274,422.32	38,019,908,660.69	103.98
Other Statutory Revenue (FAAC)	21,983,123,267.02	6,009,175,979.60	27.34
Government Share of VAT	11,000,000,000.00	10,214,624,926.44	92.86
IGR	13,084,357,901.63	11,949,154,857.67	91.32
Other Recurrent Receipts	2,783,694,816.87	526,191,331.81	18.90
TOTAL RECURRENT RECEIPTS	85,417,450,407.84	66,719,055,756.18	78.11
Capital Receipts	23,120,622,405.68	9,997,051,141.08	43.24
TOTAL	108,538,072,813.52	76,716,106,897.29	70.68

Source: Financial Report of Accountant-General, Ekiti State for the year ended 31st December, 2018.

2.3 RECURRENT REVENUE BUDGET

The analysis above showed that a sum of N85,417,450,407.84 representing 78.70% of total budgeted receipts was anticipated from Recurrent receipts and a sum of N23,120,622,405.68 which represents 21.30% was expected from capital receipts.

The actual Recurrent receipts for the year under review was N66,719,055,756.18. This represents 78.11% performance level and a recurrent revenue variance of 21.89% which is lower than year 2017 variance of 30.59%. Also, the amount collected in 2018 increased by N9,927,867,779.64 (or approximately 17.49%) when compared with its corresponding figure of N56,791,187,976.54 for the year 2017.

The breakdown of the actual Recurrent Revenue of N66,719,055,756.18 as stated showed that Government share of FAAC recorded a budget performance of 103.98% while other Statutory Revenue (FAAC) had a budget performance of 27.34% and a variance of 72.66% . The Government share of Value Added Tax (VAT) recorded a budget performance level of 92.86% with a variance of

7.14%, Internally Generated Revenue (IGR) recorded a budget performance level of 91.32% and a variance of 8.68% while Other Recurrent receipts had the lowest budget performance of 18.90% and the highest variance of 81.10%.

2.4 RECOMMENDATION:

This year Recurrent Revenue budget would appear over-ambitious. A more realistic recurrent revenue budget is suggested to avoid derailment of developmental programmes planned for implementation.

2.5 CAPITAL RECEIPTS:

The actual Capital Receipts recorded in year 2018 was N9,997,051,141.08 as against N23,120,622,405.00 budgeted resulting in a budget performance of 43.24%. This was a significant decrease when compared with 65.02% achieved in the preceding year.

The two components of the Capital Receipts in the year under review were

(i) Foreign Loans (Drawn downs) – N9,709,551,141.08 and (ii) Domestic Loan (Facility Loan) – N287,500,000.00.

Audit observed that the budgeted Capital receipts stated in the original approved budget prepared with 'old codes' was N33,734,118,870.41. However, this amount reduced to N23,120,622,405.68 in the IPSAS compliant budget due to re-classification of some revenue items to be in tandem with NCOA. This also had affected the actual capital receipts for the year under review as receipts from two revenue sources (Paris Club Refund - N3,934,272,411.44 and Excess Crude Refund – N117,968,648.01) amounting to N4,052,241,059.45 which were supposed to be Capital receipts were moved to Recurrent receipts.

This grave error could have been avoided if the recommendation made in the 2017 Auditor-General's Report that IPSAS compliant budget template should be employed in the preparation of budget had been implemented. The Budget Ministry should take note of this.

2.6 RECOMMENDATION:

To avoid classification error, IPSAS compliant budget template should be strictly adhered to.

2.7 ACTUAL REVENUE COMPARISON BETWEEN 2017 AND 2018.

S/N	REVENUE	ACTUAL 2017 N	ACTUAL 2018 N	DIFFERENCE N	PERCENTAGE DIFFERENCES %
1	Government Share of FAAC	25,352,826,448.06	38,019,908,660.69	12,667,082,212.63	49.96%
2	Other Statutory Receipts	9,095,980,002.03	5,891,207,331.59	(3,204,772,670.44)	(35.23)
3	Excess Crude Oil	164,439,699.58	117,968,648.01	(46,471,051.57)	(28.26)
4	Government Share of VAT	9,059,086,275.64	10,214,624,926.44	1,155,538,650.80	12.76
5	Ecological Fund	-	-	-	-
6	IGR	11,901,854,044.31	11,949,154,857.67	47,300,813.36	0.40
7	Other Receipt (Drawn Down)	4,008,926,117.57	9,709,551,141.08	5,700,625,023.51	142.20
8	Internal Loan	8,495,000,000.00	287,500,000.00	(8,207,500,000.00)	(96.62)
9	Sundry Receipts	1,217,001,506.92	526,191,331.81	(690,810,175.11)	(56.76)
	TOTAL	69,295,114,094.11	76,716,106,897.29	7,420,992,803.18	10.71

SOURCE: Financial Reports of Accountant-General, Ekiti State for the year ended 31st December, 2018.

From the analysis above, the aggregate revenue of N76,716,106,897.29 was raised in 2018 compared to N69,295,114,094.11 raised in 2017 representing a year – on –year increase of 10.71% or N7,420,992,803.18 in absolute value.

The Government Share of FAAC (Statutory Allocation) recorded a stunning performance as it rose remarkably by 49.96% from N25,352,826,448.06 in year 2017 to N38,019,908,660.69 in year 2018.

Other Statutory Receipts fell drastically from N9,095,980,002.03 in year 2017 to N5,891,207,331.59 in 2018 resulting to 35.23% decrease. Included in this amount was the total sum of N4,334,273,157.44 received in the year as Paris Club Refund- N3,934,272,411.44 and Paris (NGF) Refund – N400,000,746.00.

The Value Added Tax had an increase of 12.76% and Excess Crude Oil (Refund) recorded a decrease of 28.26%. On the whole, the amount received by the State from the Federation Account in 2018 was N54,243,709,566.73 as against N43,672,332,425.31 received in 2017 translating to increase of N10,571,377,141.42 (or approximately 24.21%).

The Internally Generated Revenue had an insignificant increase of less than 1% (0.40%) while Sundry Receipts recorded 56.76% decrease.

Other Receipts which were drawn down from Foreign Loan had a remarkable increase of 142.20% from year 2017 figure of N4,008,926,117.57 to N9,709,551,141.08 in year 2018. The increase was largely due to the receipts of external loan for (i) State Education Programme Investment Project (SEPIP) – N3,466,048,365.81, (ii) 3rd National Urban Water Sector Reform Project – N6,120,000,000.00

The Internal Loan reduced considerably from N8,495,000,000.00 in 2017 to N287,500,000.00 in the current year.

2.8 COMPARATIVE ANALYSIS OF INTERNALLY GENERATED REVENUE PERFORMANCE FOR YEAR 2017 AND 2018

S/N	REVENUE DESCRIPTION	ESTIMATE 2018 N	ACTUAL 2018 (A) N	BUDGET PERFORMANCE %	ACTUAL 2017 (B) N	ACTUAL DIFFERENCE A-B N
1	Pay – As – You Earn	3,980,198,948.48	4,193,406,349.50	105.36	3,319,738,095.50	873,668,254.00
2	Direct Assessment	350,000,000.00	163,583,025.97	46.74	173,217,961.47	(9,634,935.50)
3	Development Levy	110,217,012.07	21,941,922.74	19.91	24,121,024.90	(2,179,102.16)
4	Community Development Levy	-	79,337,887.67	-	133,142,346.47	(53,804,458.80)
5	Capital Gain Tax	150,000.00	166,803.80	111.20	20,000.00	146,803.80
6	Withholding Tax	321,336,926.38	261,827,810.78	81.48	605,580,391.90	(343,752,581.12)
7	Back Duty Assessment	-	-	-	-	-
8	Tax Audit	-	79,582,914.86	-	67,378,317.67	12,204,597.19
9	Sub Total(Taxes)	4,761,902,886.93	4,799,846,715.29	100.80	4,323,198,137.91	476,648,577.38
10	Fines and Fees	1,951,632,823.82	1,045,264,627.02	53.56	1,281,372,235.17	(236,107,608.15)

11	Licences	152,267,233.60	158,264,674.81	103.94	136,618,051.74	21,646,623.07
12	Earning & Sales	170,266,612.78	65,996,569.75	38.76	97,454,535.29	(31,457,965.54)
13	Rent on Govt property	23,483,809.67	113,825,905.04	484.70	39,610,756.55	74,215,148.49
14	Dividends	73,087,067.28	57,704,169.57	78.95	56,333,177.00	1,370,992.57
15	Others (Reimbursement&Misc)	2,588,501.30	1,297,547.98	50.12	1,408,858.49	(111,310.51)
16	Bank Interest	-	-	-	-	-
17	Pool Betting Lotteries	-	-	-	-	-
18	Unserviceable assets	-	-	-	-	-
19	Legal Fees	-	-	-	111,182,990.10	111,182,990.10
20	Parastatals and Tertiary Institutions	5,949,128,966.25	5,706,954,648.18	95.93	5,854,675,302.06	147,720,653.88
	TOTAL	13,084,357,901.63	11,949,154,857.67	91.32	11,901,854,044.31	47,300,813.36
	IGR Retained by Parastatals and Tertiary Institutions	(5,775,878,144.22)	(5,649,442,542.31)	97.81	(5,717,271,627.56)	67,829,085.25
	NET IGR	7,308,479,756.41	6,299,712,315.36	86.20	6,184,582,416.75	115,129,898.61
	IGR TO TOTAL REVENUE %		15.58%		17.18%	
	IGR TO PERSONNEL COST %		67.18%		64.18%	
	IGR TO RECURRENT EXPENDITURE %		17.88%		19.50%	
	IGR TO TOTAL EXPENDITURE %		15.17%		16.10%	

SOURCE: Financial Reports of Accountant-General, Ekiti State for the year ended 31st December, 2018.

From the analysis above, the sum of ₦11,949,154,857.67 was raised as IGR in 2018 compared to ₦11,901,854,044.31 raised in 2017 representing a year-on-year increase of ₦47,300,813.36 (or approximately 0.40%). Therefore, the Annual Nominal IGR growth rate for the year was approximately 0.40%

This year increase of ₦47,300,813.36 was the lowest when compared with ₦1,064,417,745.00, ₦1,077,460,735.13 and ₦2,432,741,819.54 recorded in years 2015, 2016 and 2017 respectively.

The IGR budget performance reduced from 107.06% recorded in year 2017 to 91.32% in the current year while the IGR to Total Revenue further declined from 17.18% in the previous year to 15.58% in 2018. This result, illustrated that the progress made towards the goal of self-sustenance or non reliance on fund from the center had not been too impressive.

The average monthly IGR recorded in the year was ₦524,976,026.28 for the Net IGR and ₦995,762,904.81 for the total IGR (when IGR of parastatals and Institutions were added).

Further analysis showed that performance on IGR heads ranged from far above budget for some heads to as low as 19.91% for other heads. The impressive performance recorded by some revenue heads should be sustained while there should be an improvement in some revenue heads with poor performance as stated in (a) & (b) below:

- a) Low Performing Revenue Sources: Direct Assessment, Development Levy and Earning & Sales recorded a below average performance of 46.74%, 19.91% and 38.76% respectively.
- b) Revenue sources performance that fell below last year performance: As revealed by the table, (7) Seven Revenue Heads were in this category with the highest reduction of ₦343,752,581.12 from Withholding Tax.
- c) Revenue Sources with no Receipts: Back Duty Assessment, Bank Interest, Pool Betting lotteries, Unserviceable Assets and Legal Fees.
- d) Direct Assessment which represent Tax Revenue from the Informal Sector had abysmal low performance of 3.41% of the Total Tax Revenue receipts in the year with a reduction of ₦9,634,935.50 when compared with 2017 figure. PAYE contributed the largest chunk of Total Tax Revenue collected in the year. It had 105.36% budget performance with a contribution of 87.37% to Total Tax Revenue and 66.57% to Net IGR in the year. It was better performance when compared with 76.76% and 53.68% recorded respectively in 2017.

Taxing the informal sector presents the hope of generating extra income to shore up the Tax Revenue. The Internal Revenue Service is advised to work conscientiously to bring informal sector into the Tax Net.

- e) Fine and Fees collected in the year was ₦1,045,264,627.02 with a budget performance of 53.56%. This was reduction of ₦343,752,581.12 (or approximately 26.83%) when compared with 2017 figure of ₦1,281,372,235.17. As usual, the Three (3) MDAs with largest contribution were (i) Lands – ₦213,352,015.49 (ii) Education (Dev. Levy) ₦309,353,185.00 and (iii) ETF- ₦280,828,595.42.

It was observed that only thirteen (13) MDAs out of 65 listed in the 2018 Financial Reports had above average performance in revenue generation.

The Internal Revenue Service reported revenues collected using the old revenue codes. There is need to change the template for recording of revenue to comply with National Chart of Accounts approved Codes.

It was reported in 2017 Auditor-General's Report that no accrued revenue which remains uncollected at the close of financial year was recognized in the financial statements for the year. The same was observed in the current year. The attention of the Internal Revenue Service is drawn to Sections 06023, 06024, 06025 and 06026 of Financial Administration for strict compliance.

The IGR to Personnel Cost, Recurrent Expenditure and Total Expenditure percentages were calculated to be 67.18%, 17.88% and 15.17% respectively in the year. The inference drawn from this was that IGR generated in the year was not sufficient to cover the Personnel Costs, Recurrent Expenditure and Total Expenditure. Therefore, there is the need to pursue an aggressive IGR drive in the State.

2.9 RECOMMENDATIONS

- i) Enumeration of tax payers in the informal sector across the State with the ultimate aim of building a robust data base with the clear vision of increasing the State Revenue generation capacity. Data is the basis of any revenue collecting efforts.
- ii) To encourage the informal sector, a Tax Day may be introduced where best tax payers from the sector are recognized and given awards.
- iii) Massive awareness campaign to sensitize the public on their tax obligations toward the State. Bill boards showcasing projects financed with tax money could motivate tax payers to pay more.
- iv) Building the capacity of staff, investing in relevant technology and equipment.
- v) Need to develop incentives for the revenue generating agencies to ensure that there is an alignment of interest.
- vi) To improve on Tax Revenue from PAYE, all institutions and organizations in the State should be made to deduct correct taxes from their employees based on circular from Joint Tax Board.
- vii) Reviewing tax rates that are obsolete.
- viii) Improving Ease of paying taxes: Easier methods of paying taxes should be introduced like paying through phone or just like buying airtime.

A further analysis of the IGR showed that there were sources from which revenue was received without projections.

The sources are listed below:

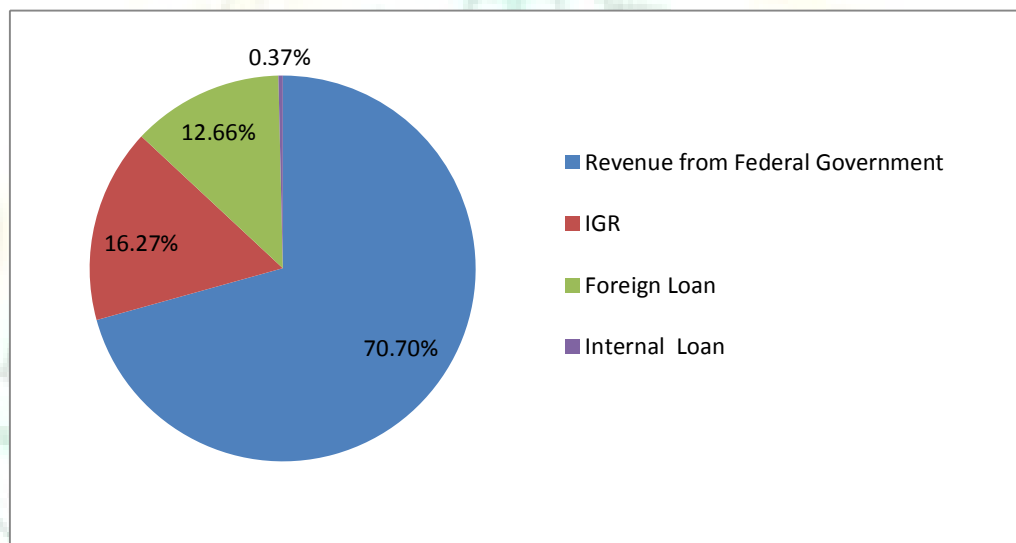
S/N	REVENUE SOURCES	BUDGETED AMOUNT N	ACTUAL RECEIPT N
1	Community Development levy	-	79,337,887.67
2	Tax Audit	-	79,582,914.86
	TOTAL	-	158,920,802.53

SOURCE: Financial Reports of the Accountant-General, Ekiti-State for the year ended 31st December, 2018.

The recommendations in the previous Auditor-General’s Reports that the revenue sources should be captured by subsequent budgets were not implemented by the Ministry of Budget and Economic Planning. MDAs observing new sources of revenue should endeavour to approach the Ministry of Budget for codes as appropriate. Defaulting MDAs should be penalized.

It is imperative that all MDAs should always ensure that all Revenue sources are exhaustively identified and captured when preparing the budget.

2.10 PIE CHART ANALYSIS OF 2018 TOTAL REVENUE BUDGET



The pie chart above depicts the revenue profile of the State for the current fiscal year. From the chart, 13.03% of the total revenue was realised through loan (12.66% External and 0.37% Internal). This reduced by 5.02% from 18.05% recorded in the preceding year. The Internally Generated Revenue (Including Sundry Receipts) contribution to the total revenue in the year was 16.27% as against 18.93% in 2017 translating to 2.66% decrease. Revenue from the Federation Account rose remarkably to 70.70% from 63.02%, 51% and 47.37% recorded in 2017, 2016 and 2015 respectively. By this, it sustained its streak of increase since 2015.

However, 2018 result as depicted by the chart clearly showed that whatever efforts the State had made to reduce her reliance on the revenue from the centre had not yielded significant result. Therefore, there is the need to re – strategise to shore up the revenue from within the State.

2.11 RECOMMENDATIONS:

- (i) **Economic Master Plan:** The State needs a long term plan that would be actualised through short term plans. This must contain a comprehensive economic strategy with stated goals and clearly defined targets to achieve these plans. The plan should be held sacrosanct by successive Governments, as this is imperative for rapid economic development.

- (ii) Revenues realised during the period of improved crude oil prices should be tactfully invested to lay solid foundation for economic growth and development in the State rather than frittered away on bogus and white elephant projects which contribute nothing to the economic development of the State.
- (iii) There is a need for a programme to drive massive agricultural revolution which would increase the revenue generated by the State, create employment opportunities and provide raw materials for industrial development in the State. The State should make efforts to revive and modernize the production of Igbemo rice.
- (iv) There is a need for public – private sectors collaboration to drive sustainable development and growth in the State. Policies that will encourage a robust environment for increased private sector investment should be initiated.
- (v) The Government should showcase the economic potentials of the State to the whole world by organising Economic Summit to attract both private and foreign investors to the State.

3.00 THE EXPENDITURE PROFILE FOR 2018

EXPENDITURE	ESTIMATE 2018 ₦	ACTUAL 2018 ₦	PERFORMANCE %
Recurrent Expenditure	74,803,953,943.02	66,827,485,978.50	89.34
Capital Expenditure	33,734,118,870.41	11,966,138,376.61	35.47
TOTAL	108,538,072,813.43	78,793,624,355.11	72.60

SOURCE: Financial Reports of the Accountant-General, Ekiti State for the year ended 31st December, 2018.

From the above analysis, the total expenditure proposed in the budget year was ₦108,538,072,813.43 as against ₦93,091,856,034.41 projected for the year 2017 thus resulting to a significant increase of N15,446,216,779.02 or 16.60% above the previous year's budget. The actual amount of N78,793,624,355.11 was expended in the year thereby leaving an annual deficit of N29,744,448,458.32 or 27.40% of the projected amount. The expenditure out-turn when calculated against the initial budget of N98,611,545,040.22 was 20.10% The expenditure budget for the year would appear over-ambitious with a variance of 27.40%.

3.1 RECURRENT EXPENDITURE

The recurrent expenditure projected for the year was ₦74,803,953,943.02 representing 68.92% of aggregate expenditure budget which showed an increase of N11,077,118,777.78 or 17.38% over the 2016 figure of N63,726,835,165.24. The actual recurrent expenditure incurred in the year was N66,827,485,978.50 representing 89.34% of the budgeted figure. The actual Recurrent expenditure

was observed to be 87.11% of actual total revenue and 100.16% of actual recurrent revenue for the year under reference which translated to an excess actual recurrent expenditure over actual recurrent receipts of N108,430,222.32.

Although, an excess Recurrent revenue over recurrent expenditure of N10,613,496,464.82 was anticipated which was expected to be transferred to Capital Development Fund in the year. However, this could not be achieved due to unimpressive performance of Recurrent revenue and expenditure which was a consequence of unrealistic revenue projections made in the budget. This obviously would affect the quantum of fund available for capital expenditure which was the required investment needed for sustainable growth and development of the State.

The details of recurrent expenditure are given below:

S/N	DETAILS OF EXPENDITURE	APPROVED BUDGET	ACTUAL EXPENDITURE	VARIANCE/ EXCESS	PERFORMANCE
		N	N	N	%
1	Personnel cost	23,976,752,191.80	17,787,575,735.50	6,189,176,456.30	74.19
2	Social Benefits	6,150,048,060.09	7,493,094,654.36	(1,343,046,594.27)	121.84
3	Overhead Cost	3,608,742,881.90	2,520,605,780.40	1,088,137,101.50	69.85
4	Transfer to Other Funds	12,186,459,903.49	12,242,456,448.72	(55,996,545.23)	100.46
5	Grants to Parastatals	16,859,086,947.43	14,308,928,927.27	2,550,158,020.16	84.87
6	Public Debt Charges and Repayment of Loans	12,022,863,958.40	12,420,355,482.25	(397,491,523.85)	103.31
7	Expenditure Financed by Aids and Grants	-	54,468,950.00	(54,468,950.00)	-
8	Transfer to other Government Entities	-	-	-	-
	TOTAL	74,803,953,943.11	66,827,485,978.50	7,976,467,964.61	89.34

SOURCE: - Financial Reports of the Accountant-General, Ekiti State for the year ended 31st December, 2018.

3.2 ACTUAL RECURRENT EXPENDITURE COMPARISON BETWEEN 2017 AND 2018.

S/N	DETAILS OF EXPENDITURE	ACTUAL 2017	ACTUAL 2018	DIFFERENCE	%
		N	N	N	DIFFERENCE
1	Personnel Cost	18,543,396,667.74	17,787,575,735.50	(755,820,932.24)	(4.08)
2	Social Benefits	6,258,211,906.92	7,493,094,654.36	1,234,882,749.44	19.73
3	Overhead Cost	2,324,706,322.61	2,520,605,780.40	195,899,457.79	8.43
4	Transfer to other funds	7,106,107,722.90	12,242,456,448.72	5,136,348,725.82	72.28
5	Grants to Parastatals	14,330,750,804.76	14,308,928,927.27	(21,821,877.49)	(0.15)
6	Public Debt Charges	7,088,980,295.39	5,132,032,984.49	(1,956,947,310.90)	(27.6)
7	Repayment of Loans:Foreign	608,306,460.88	423,196,344.28	(185,110,116.60)	(30.43)
	Local Bank	678,685,220.96	1,518,796,315.34	840,111,094.38	123.79
	Bond	3,572,924,695.31	4,804,267,272.12	1,231,342,576.81	34.46
	FGN Bond	233,041,265.67	270,049,872.21	37,008,606.54	15.88
	Bailout	199,797,708.59	272,012,693.81	72,214,985.22	36.14
8	Expenditure Financed by Aids and Grants	75,676,283.55	54,468,950.00	(21,207,333.55)	(28.02)
	TOTAL	61,020,585,355.28	66,827,485,978.50	5,806,900,623.22	9.52

SOURCE:- Financial Reports of the Accountant-General, Ekiti State for the year ended 31st December, 2018.

From the analysis above, the actual Recurrent Expenditure for the year 2018 increased by N5,806,900,623.22 representing 9.52% over corresponding period of 2017 which had an actual recurrent expenditure of N61,020,585,355.28.

It was observed that Transfer to other Funds recorded the highest increase of N5,136,348,725.82 (or approximately 72.28%) in the year. Two expenditure items which were responsible for the greater portion of the increase are:

- (i) Contingency from GAD, Protocol – N2,190,538,931.57

- (ii) Recurrent expenditure of projects sponsored by the World Bank – N2,115,757,237.14. Of this amount, the sum of N1,570,730,284.04 was incurred by 3rd National Urban Water Sector Reform Project as Recurrent Expenditure. Some of the expenditure items recorded increase ranging from 8.43% to 123.79% while others recorded decrease ranging from 0.15% to 30.43%.

3.3.0 SECTORAL PERFORMANCE:

The over-all indices of the recurrent expenditure can best be demonstrated with the use of sectoral analysis to show the effective and efficient implementation of the year's budget.

3.3.1 SECTORAL ANALYSIS OF RECURRENT EXPENDITURE (OVERHEAD COST)

S/N	SECTOR	BUDGET ₦	ACTUAL ₦	PERFORMANCE %
1	Administrative Sector	2,765,574,135.75	2,066,692,164.86	74.73
2	Economic Sector	618,068,788.94	349,871,866.13	56.61
3	Law and Justice Sector	27,718,836.24	8,200,500.00	29.58
4	Regional Sector	2,041,014.11	990,000.00	48.51
5	Social Sector	195,340,106.86	94,851,249.41	48.56
	TOTAL	3,608,742,881.90	2,520,605,780.40	69.85

SOURCE: - Financial Reports of the Accountant-General, Ekiti-State for the year ended 31st December, 2018.

From the above sectoral analysis of overhead costs, only Administrative and Economic sectors had above average performance of 74.73% and 56.61% respectively while other sectors had below average performance.

The Social Sector with the sole aim of providing basic needs to the people which consist of critical components like Education, Health and Environment recorded N94,851,249.41 as expenditures representing 48.56% of budget performance as against N2,066,692,164.86 or 74.73% budget performance recorded by Administrative Sector in the year.

It was observed that out of the 2018 actual overhead expenditure of N2,520,605,780.40 the sum of N1,067,450,000.00 representing 42.35% was incurred by the Government House and Protocol while the remaining 178 MDAs as listed in the Accounts shared the balance of N1,453,155,780.40.

It is pertinent to note that all the sectors are crucial for efficient service delivery and for attainment of Social, Economic and Political goals specified in the budget. Therefore, they should be well funded. Despite the fact that the aggregate expenditure on the sectors increased from N2,324,706,322.61 in year 2017 to N2,520,605,780.40 in the current year, there was a slight decrease of 7.77% in the overall percentage performance in the year under review. It was 77.62% in the last year but reduced to 69.85%, implying that the overhead budget was over-ambitious.

3.4 CAPITAL EXPENDITURE

	BUDGET 2018	ACTUAL 2018	PERFORMANCE
	₦	₦	%
Capital Expenditure	33,734,118,870.41	11,966,138,376.61	35.47
TOTAL	33,734,118,870.41	11,966,138,376.61	35.47

SOURCE: Financial Reports of the Accountant-General, Ekiti-State for the year ended 31st December, 2018.

The total capital expenditure appropriated for 2018 was N33,734,118,870.41 representing 31.08% of the aggregate budgeted expenditure which showed an increase of N4,369,098,001.41 or 14.88% over the 2017 appropriation of N29,365,020,869.00

The actual capital expenditure for the year was N11,966,138,376.61 representing 35.47% of the budgeted figure, 15.60% of total actual revenue and 15.19% of actual aggregate expenditure for the year.

From this result, the Capital Expenditure to Recurrent Expenditure ratio in 2018 was approximately 15 : 85 or 1 : 5.67.

The level of capital expenditure budget performance was far below average and it was lower than 45.47% achieved in the preceding year. This should be discouraged as this quantum of capital expenditure could not drive the sustainable development and growth yearned for in the State.

3.4.1 CAPITAL EXPENDITURE PERFORMANCE ON SECTORAL BASIS FOR 2018.

S/N	SECTOR	BUDGET ₦	ACTUAL ₦	PERFORMANCE %
1	<u>ADMINISTRATIVE SECTOR</u> Administration	3,704,418,345.01	702,532,362.81	18.96
2	<u>ECONOMIC SECTOR</u> Agriculture, Emergency, Infrastructure, Lands and Housing	21,532,053,741.57	8,348,137,947.10	38.77
3	<u>LAW AND JUSTICE SECTOR</u> Law and Justice Sector	461,865,229.22	-	-
4	<u>REGIONAL SECTOR</u> Regional Sector	-	-	-
5	<u>SOCIAL SECTOR</u> Education, Health, Information and Environments.	8,035,781,554.61	2,915,468,066.70	36.28
	TOTAL	33,734,118,870.41	11,966,138,376.61	35.47

SOURCE:- Financial Reports of the Accountant-General, Ekiti State for the year ended 31st December, 2018.

It was observed by Audit that some of the capital expenditures incurred were not correctly classified into the appropriate sectors. As shown in the notes to the accounts, contracts for construction of New High Court Complex amounting to N713,538,015.00 was recorded under the Economic Sector while zero was recorded for Law and Justice Sector where the expenditure belonged to . In the same vein, the sum of N178,065,998.59 expended on construction of Speaker's residence was regarded as Ministry of Works Project and thus recorded under Economic Sector instead of Administrative Sector to which House of Assembly belonged.

Therefore, sectoral performance of the capital expenditure as contained in the 2018 accounts would appear misleading.

This same error was pointed out in the 2017 Auditor-General's report but no step was taken to correct the anomaly.

Accounting information must be correctly presented to avoid misleading the users of GPFS from taking wrong decisions. However, as shown in the above table none of the sectors had above average performance while the overall performance of capital expenditure of 35.47% reduced significantly when compared with 45.47% achieved in 2016.

3.5 OBSERVATIONS ON FUND DISTRIBUTION TO MINISTRIES, DEPARTMENTS AND AGENCIES:

Audit scrutiny during the year under reference revealed that both capital and recurrent expenditure were not distributed as planned in the budget. Some Ministries, Departments and Agencies were starved of fund to execute some of the laudable programmes included in the year's budget and therefore could not contribute efficiently and effectively towards the growth and development of the State. However, some were able to access over and above their budgetary provisions.

3.5.1 MDAS WITH ABYSMALLY LOW EXPENDITURE PROFILE

(a) OVERHEAD COST

S/N	HEAD	MINISTRY/DEPARTMENT/AGENCY	BUDGET	ACTUAL	BUDGET	PERFORMANCE
			2018	2018	VARIANCE	%
			₦	₦	₦	
1	459-500	EKITI STATE STOMACH INFRASTRUCTURE AGENCY	5,669,483.62	800,000.00	4,869,483.62	14.11
2	459-1100	EKITI STATE LIASON OFFICE AKURE	3,000,000.00	240,000.00	2,760,000.00	8.00
3	459-1900	MUSILIM PILGRIM WELFARE BOARD	2,000,000.00	440,000.00	1,560,000.00	22.00
4	459-1800	CHRISTIAN PILGRIM WELFARE BOARD	2,000,000.00	400,000.00	1,600,000.00	20.00
5	459-2400	STAFF DEVELOPMENT CENTRE (ESTABS)	6,000,000.00	1,000,000.00	5,000,000.00	16.67
6	459-5601	HUMAN CAPITAL DEVELOPMENT	2,000,000.00	500,000.00	1,500,000.00	25.00
7	451-0200	DIRECTORATE OF FARM SETTLEMENT AND PEASANT FARMER DEVELOPMENT	2,834,741.81	600,000.00	2,234,741.81	21.17
8	451-0600	FADAMA PROJECT	2,000,000.00	450,000.00	1,550,000.00	22.50
9	459-5900	STATE COMMITTEE ON FOOD AND NUTRITION (UNICEF ASSISTED)	5,653,802.88	550,000.00	5,103,802.88	9.73
10	458-0800	FORESTRY DEPARTMENT	2,000,000.00	320,000.00	1,680,000.00	16.00

11	459-3101	MULTILATERAL DEPARTMENT	4,500,000.00	440,000.00	4,060,000.00	9.78
12	459-4200	PETROLEUM PRODUCTS CONSUMER PROTECTION UNIT	2,000,000.00	275,000.00	1,725,000.00	13.75
13	458-3500	STATE GOVERNANCE AND CAPACITY BUILDING	2,500,000.00	600,000.00	1,900,000.00	24.00
14	458-0500	OFFICE OF SURVEYOR-GENERAL OF THE STATE	3,000,000.00	600,000.00	2,400,000.00	20.00
15	459-3112	BUDGET TRACKING AND AUTOMATION	6,000,000.00	550,000.00	5,450,000.00	9.17
16	459-3103	DEVELOPMENT PLANNING AND STRATEGY COMMITTEE (MB AND EP)	2,500,000.00	309,375.00	2,190,625.00	12.38
17	459-3102	ECONOMIC DEVELOPMENT COUNCIL (MB AND EP)	6,000,000.00	825,000.00	5,175,000.00	13.75
18	454-0900	RURAL WATER SUPPLY SANITATION AGENCY	3,000,000.00	660,000.00	2,340,000.00	22.00
19	454-0601	MONITORING OF GOVERNMENT HOUSE PREMISES/TOWN ELECT	3,000,000.00	550,000.00	2,450,000.00	18.33
20	459-4300	UTILITY SERVICE DEPARTMENT	6,000,000.00	1,100,000.00	4,900,000.00	18.33
21	459-3114	DEVELOPMENT PARTNERS AND AIDS COORDINATION (MBEP)	3,000,000.00	550,000.00	2,450,000.00	18.33
22	459-3110	YOUTH EMPLOYMENT AND SOCIAL SUPPORT OPERATION (YESSO)	5,000,000.00	825,000.00	4,175,000.00	16.50
23	457-0700	WOMEN DEVELOPMENT CENTRE, IGEDE-EKITI (WOMEN AFFAIRS)	566,948.36	74,250.00	492,698.36	13.10
24	455-0500	BOARD FOR TECHNICAL AND VOCATIONAL EDUCATION	1,700,000.00	400,000.00	1,300,000.00	23.53
25	455-0300	STATE SCHOLASHIP BOARD	3,401,690.17	440,000.00	2,961,690.17	12.93
26	456-0100	MINISTRY OF HEALTH	9,000,000.00	2,000,000.00	7,000,000.00	22.22
27	456-0103	SHIC (MINISTRY OF HEALTH)	2,000,000.00	500,000.00	1,500,000.00	25.00
28	456-0104	MAINTENANCE OF HEALTH DATA BANK	2,000,000.00	500,000.00	1,500,000.00	25.00
29	457-0607	GOVT. PUPILS IN CHILDREN HOME NUR/PRY SCHOOL	3,000,000.00	600,000.00	2,400,000.00	20.00
30	455-0701	TEACHING SERVICE COMMISSION LOANS BOARD	2,000,000.00	500,000.00	1,500,000.00	25.00
31	455-0401	SUBEB STAFF HOUSING LOANS BOARD	2,000,000.00	500,000.00	1,500,000.00	25.00
32	459-4401	SERVE-EK STEERING COMMITTEE	510,253.53	110,000.00	400,253.53	21.56
33	459-0103	PUBLIC COMPLAINT COMMISSION	2,000,000.00	500,000.00	1,500,000.00	25.00

34	459-0415	GOVERNMENT ASSET UNIT	2,500,000.00	600,000.00	1,900,000.00	24.00
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(b) TRANSFER TO OTHER FUNDS

S/N	HEAD	MINISTRY/DEPARTMENT/AGENCY	BUDGET 2018 ₦	ACTUAL 2018 ₦	BUDGET VARIANCE ₦	PERFORMANCE %
1	459-2100	HOUSE OF ASSEMBLY	221,775,662.59	23,000,078.00	198,775,584.59	10.37
2	459-2800	STATE AUDITOR-GENERAL'S OFFICE	20,000,000.00	2,462,500.00	17,537,500.00	12.31
3	459-2900	STATE AUDITOR-GENERAL FOR LOCAL GOVERNMENT	5,000,000.00	340,000.00	4,660,000.00	6.80
4	455-0500	BOARD FOR TECHNICAL AND VOCATIONAL EDUCATION	60,000,000.00	9,123,750.00	50,876,250.00	15.21
5	457-0500	SPORT COUNCIL	19,691,050.50	3,000,000.00	16,691,050.50	15.24

(c) CAPITAL RELEASES TO MINISTRIES/DEPARTMENTS/AGENCIES

S/N	HEAD	MINISTRY/DEPARTMENT/AGENCY	BUDGET 2018 ₦	ACTUAL 2018 ₦	BUDGET VARIANCE ₦	PERFORMANCE %
1	459-0400	GOVERNOR'S OFFICE (GAD)	1,254,500,000.00	166,172,940.36	1,088,327,059.64	13.25
2	459-0700	BUREAU OF PUBLIC PROCUREMENT (BPP)	11,000,000.00	2,000,000.00	9,000,000.00	18.18
3	459-4100	STATE INDEPENDENT ELECTORAL COMMISSION	200,000,000.00	46,000,000.00	154,000,000.00	23.00
4	458-0500	OFFICE OF SURVEYOR-GENERAL OF THE STATE	50,000,000.00	1,500,000.00	48,500,000.00	3.00
5	459-3100	MINISTRY OF BUDGET AND ECONOMIC PLANNING	2,602,875,087.73	105,984,818.80	2,496,890,268.93	4.07
6	454-0800	EKITI STATE WATER CORPORATION	500,000,000.00	2,000,000.00	498,000,000.00	0.40
7	459-4300	UTILITY SERVICE DEPARTMENT	52,000,000.00	6,670,425.00	45,329,575.00	12.83

8	455-0400	STATE UNIVERSAL BASIC EDUCATION BOARD	1,880,600,000.00	68,035,667.12	1,812,564,332.88	3.62
9	456-0100	MINISTRY OF HEALTH	513,000,000.00	1000,000.00	512,000,000.00	0.19
10	456-0400	PRIMARY HEALTH CARE DEVELOPMENT AGENCY	170,000,000.00	12,196,570.00	175,803,430.00	7.17
11	456-0300	EKITI STATE UNIVERSITY TEACHING HOSPITAL	160,853,934.24	14,605,857.50	146,248,076.74	9.08
12	458-0900	STATE ENVIROMENTAL PROJECTION AGENCY	500,000,000.00	59,403,907.68	440,596,092.32	11.88
13	459-1300	MINISTRY FOR LOCAL GOVERNMENT AND CHIEFTANCY AFFAIRS-STATE	50,000,000.00	12,103,000.00	37,897,000.00	24.21

3.5.2 MDAS WITH BUDGETARY PROVISION WITHOUT ANY RELEASE THROUGHOUT THE YEAR

(a) OVERHEAD COST

S/N	HEAD	MINISTRY/DEPARTMENT/AGENCY	BUDGET	ACTUAL	BUDGET	PERFORMANCE
			2018	2018	VARIANCE	%
			₦	₦	₦	
1	459-1606	OFFICE OF THE SPECIAL ADVISER, GOVERNOR'S OFFICE (GH&P)	2,535,586.89	-	2,535,586.89	-
2	459-0410	OFFICE OF PRIVATE SECRETARY TO GOVERNOR'S OFFICE (GH&P)	1,020,507.05	-	1,020,507.05	-
3	459-5901	BOUNDARY TECHNICAL COMMITTEE (D-GOV)	5,669,483.62	-	5,669,483.62	-
4	459-2600	EKITI STATE PENSION COMMISSION (ACTUARIAL VALUATION)	50,000,000.00	-	50,000,000.00	-
5	459-1614	MAINTENANCE OF GOVERNOR'S LODGE	3,061,521.15	-	3,061,521.15	-
6	457-0300	GOVERNMENT PRINTING PRESS	1,500,000.00	-	1,500,000.00	-

(b) TRANSFER TO OTHER FUNDS

S/N	HEAD	MINISTRY/DEPARTMENT/ AGENCY	BUDGET 2018 ₦	ACTUAL 2018 ₦	BUDGET VARIANCE ₦	PERFORMANCE %
1	459-2200	HOUSE OF ASSEMBLY SERVICE COMMISSION	20,669,483.62	-	20,669,483.62	-
2	457-0100	MINISTRY OF INFORMATION, SOCIAL DEVELOPMENT SPORTS AND CULTURE	20,441,502.49	-	20,441,502.49	-
3	459-1800	CHRISTIAN PILGRIMS BOARD	20,000,000.00	-	20,000,000.00	-
4	459-1900	MUSILIM PILGRIM BOARD	20,000,000.00	-	20,000,000.00	-
5	459-4500	OFFICE OF PUBLIC DEFENDER	10,000,000.00	-	10,000,000.00	-
6	459-3900	BUREAU OF TOURISM, ART AND CULTURE	5,000,000.00	-	5,000,000.00	-
7	454-0200	JOB CREATION AND EMPLOYMENT AGENCY	5,669,483.62	-	5,669,483.62	-
8	459-3200	BUREAU OF STATISTICS	10,000,000.00	-	10,000,000.00	-
9	455-0600	AGENCY FOR ADULT AND NON-FORMAL EDUCATION	35,169,483.62	-	35,169,483.62	-
10	455-0400	SUBEB	32,000,000.00	-	32,000,000.00	-

(c) CAPITAL RELEASES TO MINISTRIES/DEPARTMENTS/AGENCIES

S/N	HEAD	MINISTRY/DEPARTMENT/ AGENCY	BUDGET 2018 ₦	ACTUAL 2018 ₦	BUDGET VARIANCE ₦	PERFORMANCE %
1	459-1500	OFFICE OF THE DEPUTY GOVERNOR	30,000,000.00	-	30,000,000.00	-
2	459-5400	EKITI STATE BOUNDARY COMMISSION	5,000,000.00	-	5,000,000.00	-
3	458-1200	STATE EMERGENCY MANAGEMENT AGENCY [SEMA]	15,000,000.00	-	15,000,000.00	-

4	459-0500	OFFICE OF THE SECRETARY TO THE STATE GOVERNMENT (SSG)	5,000,000.00	-	5,000,000.00	-
5	459-1200	POLITICAL AND INTER-PARTY AFFAIRS[P&E]	10,000,000.00	-	10,000,000.00	-
6	459-1000	EKITI STATE LIAISON OFFICE- ABUJA	50,000,000.00	-	50,000,000.00	-
7	459-4500	BUREAU OF TRANSFORMATION AND STRATEGY	3,000,000.00	-	3,000,000.00	-
8	459-2600	EKITI STATE PENSION COMMISSION / BOARD	100,000,000.00	-	100,000,000.00	-
9	459-2901	PENSION TRANSITIONAL ARRANGEMENT DEPARTMENT	43,000,000.00	-	43,000,000.00	-
10	459-1900	MUSLIM PILGRIM WELFARE BOARD	2,500,000.00	-	2,500,000.00	-
11	459-1800	CHRISTIAN PILGRIM WELFARE BOARD	5,000,000.00	-	5,000,000.00	-
12	459-3000	CABINET DEPARTMENT GOVERNOR'S OFFICE	315,000,000.00	-	315,000,000.00	-
13	459-2000	INTEGRATION AND INTER GOVERNMENTAL AFFAIRS	10,000,000.00	-	10,000,000.00	-
14	459-2100	HOUSE OF ASSEMBLY	70,000,000.00	-	70,000,000.00	-
15	457-2200	HOUSE OF ASSEMBLY SERVICE COMMISSION	55,000,000.00	-	55,000,000.00	-
16	457-0100	MINISTRY OF INFORMATION, YOUTH AND SPORTS DEVELOPMENT	252,099,595.01	-	252,099,595.01	-
17	457-0200	BROADCASTING SERVICE OF EKITI STATE	143,318,750.00	-	143,318,750.00	-
18	459-0600	OFFICE OF THE HEAD OF SERVICE	5,000,000.00	-	5,000,000.00	-
19	459-2300	OFFICE OF ESTABLISHMENT AND TRAINING	300,000,000.00	-	300,000,000.00	-
20	459-2800	STATE AUDITOR-GENERAL OFFICE	18,000,000.00	-	18,000,000.00	-
21	459-2900	OFFICE OF AUDITOR-GENERAL FOR LOCAL GOVERNMENT	15,000,000.00	-	15,000,000.00	-
22	459-3900	CIVIL SERVICE COMMISSION	15,000,000.00	-	15,000,000.00	-
23	451-0100	MINISTRY OF AGRICULTURAL AND RURAL DEVELOPMENT	453,837,816.87	-	453,837,816.87	-
24	451-0500	AGRICULTURAL DEVELOPMENT PROJECT	102,471,605.50	-	102,471,605.50	-
25	451-0200	DIRECTORATE OF FARM SETTLEMENT AND PEASANT FARMER DEVELOPMENT	109,327,877.45	-	109,327,877.45	-
26	455-0200	SCHOOL AGRICULTURE AND ENTERPRISE	21,000,000.00	-	21,000,000.00	-

27	458-0800	INTERNAL REVENUE SERVICE	55,000,000.00	-	55,000,000.00	-
28	451-0600	FADAMA PROJECT	40,680,140.00	-	40,680,140.00	-
29	458-0800	FORESTRY DEPARTMENT	5,000,000.00	-	5,000,000.00	-
30	451-0300	FOUNTAIN AGRIC MARKETING AGENCY	13,983,798.27	-	13,983,798.27	-
31	453-0400	MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT	200,000,000.00	-	200,000,000.00	-
32	459-5200	CENTRAL INTERNAL AUDIT OFFICE	6,000,000.00	-	6,000,000.00	-
33	452-0100	MINISTRY OF COMMERCE, INDUSTRIES AND COOPERATIVE	319,084,851.63	-	319,084,851.63	-
34	453-0700	EKITI STATE ENTERPRISES DEVELOPMENT AGENCY	16,526,307.05	-	16,526,307.05	-
35	454-0300	MULTI PURPOSE CREDIT AGENCY	16,526,307.99	-	16,526,307.99	-
36	454-0200	JOB CREATION AND EMPLOYMENT AGENCY	2,643,309.98	-	2,643,309.98	-
37	454-0700	BUREAU OF INFORMATION, COMMUNICATION AND TECHNOLOGY (ITC)	140,000,000.00	-	140,000,000.00	-
38	459-1100	EKITI STATE TRAFFIC MANAGEMENT AGENCY	5,000,000.00	-	5,000,000.00	-
39	452-0300	EKITI STATE MINERAL RESOURCES DEVELOPMENT AGENCY	109,327,877.45	-	109,327,877.45	-
40	453-0100	BUREAU OF TOURISM, ARTS AND CULTURE	76,262,719.49	-	76,262,719.49	-
41	459-3200	BUREAU OF STATISTICS	50,000,000.00	-	50,000,000.00	-
42	459-3400	SUSTAINABLE DEVELOPMENT GOALS (SDG) OFFICE	1,200,000,000.00	-	1,200,000,000.00	-
43	459-4000	FISCAL RESPONSIBILITY COMMISSION	2,000,000.00	-	2,000,000.00	-
44	454-0900	RURAL WATER SUPPLY AND SANITATION AGENCY	25,000,000.00	-	25,000,000.00	-
45	458-0200	STATE HOUSING CORPORATION	159,000,000.00	-	159,000,000.00	-
46	458-0600	URBAN RENEWAL AGENCY (CAPITAL URBAN DEVELOPMENT AUTHORITY)	25,000,000.00	-	25,000,000.00	-
47	454-0500	MINISTRY OF PUBLIC UTILITIES	100,000,000.00	-	100,000,000.00	-
48	459-0200	THE JUDICIARY	169,000,000.00	-	169,000,000.00	-
49	459-3000	JUDICIARY SERVICE COMMISSION	22,000,000.00	-	22,000,000.00	-

50	459-0100	MINISTRY OF JUSTICE	65,865,229.22	-	65,865,229.22	-
51	459-5700	OFFICE OF PUBLIC DEFENDER	27,000,000.00	-	27,000,000.00	-
52	455-0800	EKITI STATE LIBRARY BOARD	17,350,000.00	-	17,350,000.00	-
53	455-1200	COLLEGE OF EDUCATION IKERE-EKITI	60,000,000.00	-	60,000,000.00	-
54	455-1000	EKITI STATE UNIVERSITY	260,000,000.00	-	260,000,000.00	-
55	455-0700	STATE TEACHING SERVICE COMMISSION	24,000,000.00	-	24,000,000.00	-
56	455-0600	AGENCY FOR ADULT AND NON-FORMAL EDUCATION	41,000,000.00	-	41,000,000.00	-
57	455-0300	STATE SCHOLASHIP BOARD	3,200,000.00	-	3,200,000.00	-
58	456-0600	HOSPITAL MANAGEMENT BOARD	208,000,000.00	-	208,000,000.00	-
59	456-0200	COLLEGE OF HEALTH TECHNOLOGY	85,000,000.00	-	85,000,000.00	-
60	456-0500	CENTRAL MEDICAL STORE	70,000,000.00	-	70,000,000.00	-
61	458-0700	MINISTRY OF ENVIRONMENT	5,000,000.00	-	5,000,000.00	-
62	458-1000	EKITI STATE WASTE MANAGEMENT BOARD	50,000,000.00	-	50,000,000.00	-
63	457-0500	EKITI STATE SPORT COUNCIL	6,572,500.00	-	6,572,500.00	-
64	459-1400	CHIEFTANCY AFFAIRS	10,000,000.00	-	10,000,000.00	-

The table above revealed that most MDAS could not access their budgetary provisions during the period under review. While the sum of N6,087,315,737.97 was projected as expenditure for the MDAS, no fund was released to them throughout the year. MDAS with budgetary provisions of N8,381,632,655.43 could only access N554,908,139.46 (or approximately 6.62%) leaving a difference of N7,826,724,515.97 which could not be accessed.

Financial resources should be released according to approved plans, as irregular, incomplete and even non-release of fund stifles the capacity of the affected MDAS to achieve set goals and objectives in the budget. However, this is only realisable if Government moves away from unrealistic fiscal projections.

In the current fiscal year, it was observed that out of the sum of N453,837,816.87 projected as capital expenditure for Ministry of Agriculture and Rural Development, nothing was released to it translating to 0% budget performance.

The result made mockery of any Agricultural policy the Government professed to have pursued in the year.

Audit is of the opinion that in face of unstable crude oil prices and failing economy, Agricultural Sector holds prospect for immense growth of the economy and employment generation in the State. Therefore, it should be recognised as one area of focus for more investments and innovations so that the sector could be repositioned as an alternative to crude oil.

3.6 EXCESS EXPENDITURE TO MDAS

(a) PERSONNEL COSTS

HEAD	MINISTRY/DEPARTMENT	APPROVED ESTIMATES 2018 ₦	ACTUAL EXPENDITURE 2018 ₦	VARIANCE 2018 ₦
459-5100	POLITICAL AND ECONOMIC AFFAIRS DEPARTMENT	43,048,788.35	54,863,577.60	(11,814,789.25)

(b) SOCIAL BENEFITS

HEAD	MINISTRY/DEPARTMENT/ PARASTATALS	APPROVED ESTIMATES 2018 ₦	ACTUAL EXPENDITURE 2018(ACCRUAL) ₦	VARIANCE 2018 ₦
434-002	GRATUITY	1,000,000,000.00	2,765,021,112.11	(1,765,021,112.11)

(c) OVERHEAD COSTS

HEAD	MINISTRY/DEPARTMENT/ PARASTATALS	APPROVED ESTIMATES 2018	ACTUAL EXPENDITURE 2018	VARIANCE 2018
		₦	₦	₦
457-0200	BROADCASTING SERVICE OF EKITI STATE	3,000,000.00	40,588,842.94	(37,588,842.94)

(d) SUBVENTIONS/GRANTS TO TERTIARY INSTITUTIONS / PARASTATALS

HEAD	MINISTRY/DEPARTMENT/ PARASTATALS	APPROVED ESTIMATES 2018	ACTUAL EXPENDITURE 2018	VARIANCE 2018
		₦	₦	₦
455-1000	Ekiti State University	7,191,125,264.12	7,306,212,296.00	(115,087,031.88)

3.7 EXCESS PERSONNEL COST:

It was observed that only one Department - Political and Economic Affairs Department had an excess personnel cost amounting to N11,814,789.25 in the current year. This was a drastic reduction when compared to N737,271,294.88 recorded in 2017 by 20 MDAS.

However, necessary approval for the above expenditure had not been made available to this office contrary to the provisions of section 120 (2) of the Constitution of Federal Republic of Nigeria 1999 (as amended).

3.8 EXCESS SOCIAL BENEFITS:

The sum of N1,765,021,112.11 was observed to be excess gratuity in the year under review. This was as a result of moving from IPSAS cash to IPSAS Accrual accounting basis where the whole Gratuity payable for the year was taken as expenditure. The attention of Budget Officers is hereby drawn to this new concept. Enough Budget estimates should be made for this kind of expenditure in preparation of subsequent budgets.

3.9 EXCESS OVERHEAD COST:

The excess overhead cost of N37,588,842.94 was discovered to be the retained IGR of a parastatal (BSES) recorded in the accounts but which was not captured in the overhead estimates of the parastatal. This error was pointed out in 2017 Auditor-General's Report but no concrete step was taken to correct the anomaly.

3.10 EXCESS GRANTS TO TERTIARY INSTITUTIONS AND PARASTATALS

Excess grants to Ekiti State University in the year amounted to N115,087,031.88. This was observed to have reduced remarkably from N1,467,730,158.88 recorded in the preceding year.

However, the excess grants recorded in the year showed inefficiencies of officers responsible for vote watch and vote charge balances which should be a pre-requisite for generating release warrants.

3.11 CONTROL OF EXPENDITURE:

Expenditure control was observed to have improved in the current year as excess expenditure in MDAS and Parastatals reduced considerably from N2,455,804,133.98 recorded in 2017 to N164,490,663.87 in 2018.

As an important element of budget execution and Financial resources management, serious attention should be given to expenditure control in the State by the concerned officers.

4.0 REVIEW OF FINANCIAL STATEMENTS:

4.1 STATEMENT OF FINANCIAL PERFORMANCE:

The Statement of Financial Performance published for the period ended 31st December, 2018 showed a net surplus balance of N4,338,149,568.44 as against a net deficit balance of N2,526,401,431.49 recorded in 2017. The summary of the statement is shown below:

	2018	2017
	N	N
Total Revenue generated for the year	66,719,055,756.21	56,791,187,976.54
Total Operating Expenses	<u>(55,970,158,587.38)</u>	<u>(48,948,306,901.13)</u>
Surplus from operating activities	10,748,897,168.83	7,842,881,075.41
Total Non-Operating Expenses:	<u>(6,410,747,600.39)</u>	<u>(10,369,282,506.90)</u>
	<u>4,338,149,568.44</u>	<u>(2,526,401,431.49)</u>

SOURCE: Financial Reports of the Accountant-General, Ekiti State for the year ended 31st December, 2018.

From the above, there was an improvement in both the revenue generated from operating activities and operating expenses incurred in the year compared with last year figures.

Despite my advice in 2017 Auditor-General's Report that classification of expenditure should strictly comply with NCOA, it was observed in the current year that capital expenditure amounting to N1,278,714,615.90 (included in non-operating expenses) was expensed from the statement of Financial Performance in the year because it was expended on items which fall outside the categories of assets recognised by IPSAS. The Budget Officers should note this for correction in subsequent years.

It was equally observed that Revenue in the statement of performance was not classified as Revenue from Exchange Transactions and Non-Exchange Transactions in line with IPSAS 9 and IPSAS 33 respectively. Adjustment should be made in 2019 financial statements which happens to be the last transitional year within which models for transiting to IPSAS accrual should be developed.

4.2 STATEMENT OF FINANCIAL POSITION:

4.2.1 ASSETS:

4.2.2 CURRENT ASSETS:

4.2.3 LIQUID ASSETS: (CASH AND CASH EQUIVALENT)

These are balances on cash, bank and call (Fixed Deposit) accounts. The number of current bank accounts maintained by the State rose from 76 in year 2017 to 78 in the year under review. The total balance of N11,951,237,961.91 recorded for the year included reconciled cash book balances of MDAS and IGR collection Accounts Balances as at 31st December, 2018 with the details shown below:

CASH AND CASH EQUIVALENTS:

	2018	2017
	N	N
Treasury Cash Balances	5,403,430,784.61	11,237,130,202.65
Cash Held by MDA'S	6,091,084,838.41	146,938,487.33
IGR Collection Accounts Balances	<u>456,722,338.89</u>	<u>-</u>
TOTAL	<u>11,951,237,961.91</u>	<u>11,384,068,689.98</u>

SOURCE: Financial Reports of the Accountant-General, Ekiti State for the year ended 31st December, 2018.

From the above analysis, there was an increase of N567,169,271.93 in the current year figure when compared with previous year's figure. No call account (Fixed Deposit) balance was observed at the end of the current financial year. However, it was observed by Audit that 3 months VAT inflows of 24/7/18, 1/8/18 and 28/9/18 were unilaterally fixed for few days by Access Bank without any approval from the State Government. The sum of N1,725,405.00 generated as interest from the transaction was not recognised in the accounts by the Accountant-General's Office.

The Accountant-General's Office is hereby advised to be more alive to its treasury management responsibilities by ensuring that all idle cash are properly invested.

4.2.4 RECEIVABLES

The total receivables as at 31st December, 2018 was N4,039,203,795.48. This was an increase of N11,792,418.01 when compared with N4,027,411,377.47 in the previous year. The increase of N11,792,418.01 had been treated as surplus in the statement of Changes in Net Asset/Equity.

It was discovered by Audit that refunds made by civil servants on Wema shares loan were recognised as Revenue in year 2017 and 2018. However, such wrong entry in 2018 accounts had been reversed and correct entry made in the receivables. Adjustment should be made for 2017 figure in 2019 accounts to reveal the correct balance of Wema shares loans.

4.2.5 NON – CURRENT ASSETS:**4.2.6 BOND SINKING FUND:**

The Bond Sinking Fund account balance as at 31st December, 2018 was N1,596,112,000.00 which translated to a reduction of N965,316,000.00 (or approximately 37.69%) when compared with 2017 balance of N2,561,428,000.00.

In the current year, the State Government completed the payment of N20 Billion (first tranche) Bond taken in the year 2011. The outstanding balance which is due to the State Government from Bond sinking fund account as at 31st December, 2018 after the payment was N1,254,432,000.00 as shown below:

DETAILS INFLOWS:	FIRST TRANCHE (N)	SECOND TRANCHE (N)	TOTAL (N)
Receipt from State Government	33,364,533,000.00	6,113,327,000.00	39,477,860,000.00
Investment Income	1,122,628,000.00	123,064,000.00	1,245,692,000.00
TOTAL INFLOW:	34,487,161,000.00	6,236,391,000.00	40,723,552,000.00
OUTFLOW:			
Principal Repayment	20,000,001,000.00	-	20,000,001,000.00
Payment to Bond Holders	12,498,258,000.00	5,803,261,000.00	18,301,519,000.00
Consultants Fees	450,558,000.00	10,436,000.00	460,994,000.00
Registrars Fees	16,807,000.00	-	16,807,000.00
Management Fees	120,097,000.00	15,296,000.00	135,393,000.00
Trusteeship Fees	147,000,000.00	65,627,000.00	212,627,000.00
Reimbursable Fees	-	-	-
Bank Charges and Courier	8,000.00	91,000.00	99,000.00
TOTAL OUTFLOW	33,232,729,000.00	5,894,711,000.00	39,127,440,000.00
BALANCE	1,254,432,000.00	341,680,000.00	1,596,112,000.00

Source: Financial Reports of the Accountant –General, Ekiti State for the year ended 31st December, 2018.

4.2.7 FIXED ASSETS (PROPERTY, PLANT AND EQUIPMENT)

The total cost of Fixed Assets (PPE) as at 31st December, 2018 was N19,183,354,071.65 with the details shown below:

	N
Balance as at 1 st January, 2018	3,370,560,581.09
Assets procured and recognised in 2018	10,687,423,760.71
2017 WIP transferred to fixed Assets schedule in 2018	5,125,369,729.85
Total cost of Fixed Assets as at 31/12/18	<u>19,183,354,071.65</u>

The Net Book Value of Assets as at 31st December, 2018 was N17,310,868,787.86 after Accumulated Depreciation of N1,872,485,283.79 was charged on the assets.

The cost of Fixed Assets (PPE) classified as Work-In-Progress as at 31st December, 2018 was N1,577,074,209.00. This represented cost of various on-going projects in the State. No depreciation was provided on these assets.

The State Government has only a year left after this 2nd transitional Financial Statements to document, value and recognise all its assets in the financial statements. It is pertinent to note that the relief period applied in adopting IPSAS accrual basis is not expected to be longer than 3 years as provided for in IPSAS 33.

Audit had not sighted the register of Government holdings of Fixed Assets maintained in line with the requirements of IPSAS Accrual which is expected to include information on their historical cost, usage and age. The Agency in-charge of Government Assets should make this available for verifications.

4.2.8 LIABILITIES:

4.2.9 CURRENT LIABILITIES:

The total recognised current liabilities of the State Government as at 31st December, 2018 was N24,317,230,789.73 as against N23,645,370,959.75 posted in 2017 translating to an increase of N671,859,829.98 (or approximately 2.84%). The details of the recognised current liabilities are shown overleaf:

	2018		2017	
	N	N	N	N
Unremitted deductions (Salaries)		1,767,651,852.18		1,265,750,692.07
Unremitted Taxes (FIRS)		143,278,818.21		-
Payables:				
Salaries and Wages	4,104,952,070.05		5,818,925,332.85	
Pension	1,206,843,078.92		1,519,119,649.40	
10% contribution to CPS	78,901,417.12		64,505,487.36	
Gratuities	12,967,804,712.10	18,358,501,278.19	10,434,373,386.08	17,836,932,855.69
Accrued Expenses:				
Overhead	-		94,850,519.38	
Transfer to other charges	-		113,597,650.00	
Grants/Subventions	4,047,798,841.15	4,047,798,841.15	4,334,248,241.98	4,542,696,411.36
TOTAL		24,317,230,789.73		23,645,370,959.75

SOURCE: Financial Reports of the Accountant-General, Ekiti State for the year ended 31st December, 2018.

It is disheartening to note that no concerted efforts were made by the Office of Accountant-General to gather documents and recognise the outstanding liabilities of the State Government knowing full well that the step is key to full adoption of IPSAS Accrual. Outstanding Current Liabilities reported by Audit in 2017 Auditor-General's Report such as Furniture Allowance, Outstanding debts of law firms and others not mentioned like Severance Allowance were not recognised in 2018 Financial Statements contrary to the advice given in the report.

As it was observed in the last year's Auditor-General's Report, no ledgers had been opened for these liabilities in the Office of Accountant-General as at 31st December, 2018.

Also, schedules supporting some of the outstanding liabilities had not been made available to Audit for verification.

4.2.10 RECOMMENDATIONS:

- (i) All Outstanding current liabilities of the Government must be collated, documented and recognised in the 2019 Financial Statements.
- (ii) Ledgers should be maintained for all the liabilities: salaries, pensions and other expenses due but not paid at the end of the month should be recognised and posted to the relevant ledgers immediately.
- (iii) The practice where MDAS were asked to submit soft copies of their salaries when they were to be paid should be discouraged. A date should be fixed for the submission of salary vouchers (soft copies) which will give allowance for processing before the end of the month. The unpaid processed salaries and allowances at the end of the month should be recognised immediately and posted to Salary Payable account in the General Ledgers.
- (iv) Contractual obligations should always be disclosed as a note to the accounts while jobs done and certified by the appropriate authorities but not yet paid for should be recognised and posted to the relevant ledgers.
- (v) The retentions fees on contracts should be recognised as liabilities and disclosed in the financial statements.

4.2.11 NON-CURRENT LIABILITIES:

The total Non-Current Liabilities (Long Term Borrowings) of the State Government as at 31st December, 2018 was N88,101,923,330.15 against N87,706,136,329.86 recorded in year 2017 which represented a slight increase of N395,787,000.29 (or approximately 0.46%). The detail is as follows:

	2018	2017
	N	N
Foreign Loan	30,034,529,853.59	20,748,175,056.79
Domestic Loan	<u>58,067,393,476.56</u>	<u>66,957,961,273.07</u>
	<u>88,101,923,330.15</u>	<u>87,706,136,329.86</u>

4.2.12 DOMESTIC LOAN:

In the current year, the total Internal Loan procured by the State was N287,500,000.00 as against N8,495,000,000.00 obtained in 2017.

It was observed by Audit that the proceeds of the loan which was obtained by Forsterfield Limited on behalf of the State Government was not applied as approved. The loan obtained to initiate and complete major identified infrastructural projects such as modern market at Oja Oba and Irona to enable the State realise massive economic potentials was diverted to construction of Ministry of Finance building.

During the same period the sum of N11,504,425,721.71 was paid on Internal loans as follows:

S/N	NAME OF LOAN	PRINCIPAL REPAYMENT N	INTEREST PAYMENT N	TOTAL PAYMENT N
1	FGN Bonds	270,049,872.21	2,707,793,949.15	2,977,843,821.36
2	Bailout	272,012,693.81	764,740,617.28	1,036,753,311.09
3	Bond Proceeds	4,804,267,272.12	-	4,804,267,272.12
4	SKYE (SCOA)	-	-	-
5	Access Excess Crude Account	306,486,315.34	1,132,918,539.60	1,439,764,854.94
6	Budget Support Fund	-	-	-
7	UBEC 2012/2015	700,000,000.00	-	700,000,000.00
8	NUWSRP-3	164,450,000.00	-	164,450,000.00
9	FOSTERFIELD	287,500,000.00	33,846,462.20	321,346,462.20
10	SJLGA	60,000,000.00	-	60,000,000.00
	TOTAL	6,865,126,153.48	4,639,299,568.23	11,504,425,721.71

SOURCE: Financial Reports of the Accountant-General, Ekiti State for the year ended 31st December, 2018.

The State was yet to commence repayment on Budget support facilities with a cumulative total of N16,869,000,000.00 as at 31st December, 2018.

It was observed that the sum of N359,890,382.36 being deductions for 4 months on Access (ECA) Loan was made as future repayment in the year by Access Bank. Approval letter authorising the deduction was not presented to Audit.

4.2.13 FOREIGN LOAN

The Foreign Loan drawn down of the State Government in the current year was N9,709,551,141.08 as against N4,008,926,117.57 recorded in the previous year. The largest loan drawn down of N6,120,000,000.00 (or approximately 63.03% was received for 3rd National Urban Water Sector Reform Project .

In the same period, the sum of N614,719,692.21 repayment was made on Foreign Loan out of which N423,196,344.28 was principal repayment while the balance of N191,523,347.93 was Interest on Loan.

The closing balance of foreign loan as at 31st December, 2018 was \$106,211,598.23, when converted at official rate of N305/\$ amounted to N32,394,537,460.15. However, the closing balance recognised in the year was N30,034,529,853.59. The difference of N2,360,007,606.56 being exchange difference had not been recognised in 2018 financial statements. The adjustment should be made in 2019 accounts being the last transitional year to migrate to full IPSAS accrual.

It was observed that the cumulative drawn downs of the following World Bank assisted projects were yet to be recognised in the financial statements for the current year. This issue was also raised in 2016, and 2017 Auditor-General's Reports.

S/N	NAME
1	Youth Employment Social Support Orientation
2	Public Sector Governance Reform Development Project.

The World Bank Assisted Projects draw down should be recognised in 2019 financial statements.

The total Loan repayment (Internal & External) made in the current year was N12,119,145,413.92 .

To guarantee Public Debt Sustainability, there is need to bring each State debt to 50% threshold in line with DMO guidelines which stated that the debt status of each State should not exceed 50% of Statutory Revenue in the preceding 12 months.

Audit observed that as at 31st December, 2018 the Debt to Income percentage of the State was 146% of statutory revenue.

Other Debt Ratios are:

- (i) Ratio of Capital Expenditure to Debt Service in the current year was 0.98 : 1
- (ii) Ratio of Service Payment to Total Revenue was 15 : 100

From the above calculations, the threshold would appear to have been exceeded. With low Revenue base, Debt Service will become a herculean task.

5.0 SUBMISSION OF APPROPRIATION ACCOUNTS BY MINISTRIES, DEPARTMENTS AND AGENCIES

The number of MDAS that rendered their appropriation Accounts increased from (Forty Eight) 48 in 2017 to Fifty Seven (57) in the current year. It was observed that all the MDAS with an exception of two (2) met the requirement of the Law by submitting their accounts before the due date of 31st March, 2019. It was an improvement over the previous years' compliance of the MDAS

The attention of the Accounting Officers of MDAS are hereby drawn to the provisions of sections 35 (4) of Audit Law (No 11) of 2014 for strict compliance. They should also note that Non-submission and late submission of the Appropriation Accounts is an infraction of the Financial Regulations.

The Table below shows the analysis of the rendition of appropriation accounts for the year under review.

5.1 SUBMISSION OF YEAR 2018 ANNUAL APPROPRIATION ACCOUNT.

S/NO	MDA'S	DATE
1	Bureau of Public Procurement	8-01-19
2	Government House and Protocol Department	10-01-19
3	Office of Establishment & Training (Staff Housing Loans Board)	11-01-19
4	Ekiti State Waste Management Board	11-01-19
5	Ekiti State Boundary Commission	14-01-19
6	Ekiti State Library Board	15-01-19
7	Directorate of Farm Settlement and Peasant Farmers Development Ministry of Agriculture and Rural Development	15-01-19
8	Ekiti State Housing of Assembly Service Commission	16-01-19
9	General Administration Department	17-01-19
10	Ministry of Health	18-01-19
11	Ekiti State Internal Revenue Service	18-01-19

12	Ekiti Enterprise and Economic Development Agency	22-01-19
13	Ministry of Environment	22-01-19
14	Job Creation & Employment Agency (JCEA)	23-01-19
15	Primary Health care Development Agency	23-01-19
16	Bureau of Information Technology	24-01-19
17	Ekiti State House of Assembly	25-01-19
18	Ministry of Public Utilities	28-01-19
19	Office of the Surveyor General	29-01-19
20	Christian Welfare Board	29-01-19
21	Ekiti State Independent Electoral Commission	29-01-19
22	Bureau of Transformation, Service Delivery Strategy	30-01-19
23	Office of the Deputy Governor	30-01-19
24	Office of the Public Defender	30-01-19
25	Office of the State Auditor –General For Local Government	30-01-19
26	Office of the Accountant General	30-01-19
27	Central Internal Audit Office	31-01-19
28	EkitiState Housing Corporation	1-02-19
29	Civil Service Commission	1-02-19
30	Ekiti State Multipurpose Credit Agency	1-02-19
31	Hospitals Management Board	1-02-19

32	Ministry Of Education	1-02-19
33	Ministry of Justice	4-02-19
34	State Bureau Of Statistics	5-02-19
35	Ministry Of Agriculture And Rural Development	7-02-19
36	Ekiti State Agricultural Development Programme	7-02-19
37	Sustainable Development Goals Office	8-02-19
38	Ministry Of Works And Transportation	8-02-19
39	Urban Renewal Agency	12-02-19
40	Ekiti State Scholarship Board	12-02-19
41	Bureau Of Chieftaincy Affairs	12-02-19
42	Agency For Adult And Non-formal Education	12-02-19
43	Office Of Establishment And Training	12-02-19
44	Ministry Of Finance And Economic Development	12-02-19
45	Ekiti State Aids Control Agency	13-02-19
46	Cabinet And Special Service Department	13-02-19
47	Ekiti State Trust Fund	13-02-19
48	Ekiti State Muslim Pilgrims Welfare Board	13-02-19
49	Ministry Of Budget And Economic Planning	13-02-19
50	Ekiti State Health Insurance Scheme	18-02-19
51	Ministry Of Local Government, Community Development And Chieftaincy Affairs	18-02-19

52	Office Of Executive Governor Political And Economic Affairs Department	18-02-19
53	Ministry Of Commerce, Industries And Cooperatives	19-02-19
54	Bureau of Tourism	12-02-19
55	Ministry Of Land	6-02-19
56	Ekiti State Water Corporation	2-04-19
57	Board For Technical and Vocational Education	2-04-19

5.2 OBSERVATIONS ON APPROPRIATION ACCOUNTS SUBMITTED BY MDAS

- (1) The appropriation accounts submitted by the MDAS were prepared with old Revenue and Expenditure codes which were different from the codes in IPSAS Compliant budget.
- (2) It was observed that there were variances between the appropriation figures submitted by MDAS to this office and figures in the DVEA books kept by the Accountant-General's Office

5.3 RECOMMENDATIONS:

- (1) The Ministry of Budget and Economic Planning should make available to MDAS in the State IPSAS compliant budget template for the use of the MDAS in compilation and submission of their Appropriation Accounts.
- (2) The DFAS of MDAS should not only be informed of their roles and responsibilities under IPSAS accrual accounting but they should be well trained to discharge these roles and responsibilities effectively.

6.0 STATE OF THE ACCOUNTS:

6.1 ADOPTION OF IPSAS ACCRUAL BASIS OF ACCOUNTING:

Ekiti State Government initiated accrual basis IPSAS on 1st January, 2017 and elected to adopt transitional exemptions in IPSAS 33 that allows it to apply deemed cost and a transitional period of up to three years. The 2018 financial statements were the second transitional accrual IPSAS financial statements of the State. The implication of the above is that the State has committed itself to full adoption of IPSAS accrual basis by 31st December, 2019.

Within the transitions relief period, the State is expected to develop models for transiting to IPSAS accrual fully. However, it would appear that adequate preparations were not made for the full adoption as Audit observed the following among others:

- (1) **ANALYTICAL CASH BOOKS:** Analytical cash books were introduced for use in the current year by the Accountant-General's Office to record financial transactions of Government. However, the revenue and expenditure were not classified appropriately in the cash books thereby defeating the purpose for which they were introduced.
- (2) **NON-USE OF LEDGERS:** General Ledgers were not maintained both for revenue and expenditure items. Therefore, tracing of totals of each revenue and expenditure items to financial statements were difficult.
- (3) **NON-RECOGNITION OF LIABILITIES AS AT WHEN DUE:** Expenses are supposed to be reported on an accrual basis i.e recognised in the period they are incurred or when related services are enjoyed and not at the point of preparation of Financial Statements as observed.
- (4) **NON-PARTICIPATORY ROLES OF MDAS:** This was observed as the MDAS still prepared their accounts (especially appropriation accounts) on cash basis whereas IPSAS accrual basis had been adopted. Financial records available in MDAS were still kept using old revenue and expenditure codes and classification.

6.1.1 RECOMMENDATIONS:

- (i) One of the pre-conditions for a successful move to IPSAS accrual accounting is a double-entry based general ledger system. This is the only Accounting system that can drive the National Chart of Accounts. The Office of Accountant-General is invited to take note of this. Effect from 1st January, 2019 General Ledgers must be put to use by the Office.
- (ii) The Director of Finance and Accounts of MDAS and Parastatals should be properly briefed and well trained to drive the implementation of IPSAS accrual basis of accounting in their respective MDAS.

6.2 BUDGET PREPARATION UNDER IPSAS ACCRUAL BASIS:

In the current year, the Ministry of Budget and Economic Planning converted the Budget prepared with old template (which contained old classification and codes of revenue and expenditure) to IPSAS Compliant budget.

It was observed that in the process of conversion, some Revenue items that were classified as Capital Receipt were now moved to Revenue Receipt thereby leading to rearrangement of revenue items in the Budget in a way that was different from what was originally approved. This should be discouraged and Budget prepared with IPSAS compliant template.

6.2.1 RECOMMENDATIONS:

- (i) Government should procure a new software for preparation of IPSAS compliant Budget.
- (ii) Government should ensure full completion and activation of SIFMIS as it is the only way to involve all participants of the Financial Statements.
- (iii) The case of SIFMIS project claimed to have been completed but which was not functioning should be urgently revisited. The contractor should be recalled to do the needful to make the system functional.

6.3 MISCLASSIFICATION OF EXPENDITURE:

The fallout of using the old budget template was misclassification of expenditure. With the adoption of IPSAS accrual basis, capital expenditure has ceased to exist.

However, in the year under review, capital expenditure amounting to N1,278,714,605.90 which could not meet IPSAS requirement for PPE was expensed in the year.

6.3.1 RECOMMENDATION:

The Ministry of Budget, Economic Planning and Service Delivery should employ the new budget template based on National Chart of Accounts for the preparation of 2019 and subsequent years' budgets.

6.4 RECOGNITION OF ASSETS:

With the adoption of IPSAS accrual basis of accounting effective 1st January, 2017 and having taken advantage of 3 years transitional relief in line with IPSAS 33 the State has up to 31st December, 2019 to recognise all her existing assets in the books of accounts.

6.4.1 RECOMMENDATION:

In order not to reverse all the gains made by the adoption of IPSAS accrual basis, the State should take urgent steps to identify, document and value all her existing assets so that the value could be brought into the accounts on or before 31st December, 2019.

6.5 TRANSFERS FROM LOCAL GOVERNMENT:

The sum of N225,000,000.00 was recorded under this Revenue Head in 2018 accounts being contributions made by the Local Governments for Social Security Scheme in the State through SJLGA. There were no provisions made for this in 2018 Budget Estimates.

Audit equally observed that other revenue inflows from the SJLGA to some MDAS were excluded in the Revenue Head in 2018 accounts. The Revenue inflows were part of 1.66% Statutory Allocation to Agencies and Parastatals allocated through SJLGA to Ministry of Local Governments, Office of Accountant-General and Office of Auditor-General for Local Governments which amounted to N101,343,618.08, N22,008,967.57 and N22,008,967.57 respectively in the year under review.

Both the revenue and expenditure were neither included in the 2018 Budget Estimates nor shown in the Appropriation Accounts of these MDAs. The failure to properly account for such revenue and expenditure constituted a gross understatement of facts in the Financial Statements.

6.5.1 RECOMMENDATIONS:

- (i) The Accounting Officers of the affected MDAS should inform the Budget Ministry of these revenues in their MDAS.
- (ii) The attention of the Budget Officers is hereby drawn to these revenues to accommodate them in the budget estimates during budget preparation or budget review exercise.

6.6 REVENUE COLLECTED, RETAINED AND EXPENDED WITHOUT APPROPRIATION

It was observed that some MDAs were allowed to retain part of the revenue collected to meet their expenses. Examples of such MDAs are: (i) HMB 70% of IGR generated by Secondary Health Facilities in the State, (ii) Ministry of Education – Examination fees, (iii) Ministry of Agriculture – Tractor Hiring fee. However, the guideline for accounting of such revenue was not issued by the Ministry of Finance as a result, a chunk of the State IGR and services rendered were not captured in the Consolidated Revenue Fund. The failure to properly account for such revenue and services constituted a gross understatement of facts in the Financial Statements.

6.6.1 RECOMMENDATIONS:

- (i) Proper guideline for accounting of such retained revenue should be issued by the Ministry of Finance.
- (ii) Ministry of Budget, Economic Planning and Service Delivery should ensure that both retained revenue and expenditure are captured by the Budget Estimates.

6.7 10% STATUTORY ALLOCATION TO LOCAL GOVERNMENT COUNCILS FROM INTERNALLY GENERATED REVENUE.

The Local Government Councils in the State are entitled to 10% of all Internally Generated Revenue of the State. In the current year, the Financial Reports of the Accountant-General revealed that the sum of N6,299,712,315.36 was the amount generated as IGR. The ten percent (10%) Statutory Allocation to Local Government Councils from this amount is N629,971,231.54. There was no evidence that this amount had been released to the Local Government Councils in the State.

6.7.1 RECOMMENDATION:

Compliance with extant provisions of the law will further enhance growth and development of the Local Government Council areas.

6.8 UNAPPROPRIATED EXPENDITURE:

There were no provisions made in the budget estimate for the expenditure made from the following receipts:

WORLD BANK PROJECTS:

The draw downs on these projects for each year are posted to Capital Costs Head of Expenditure without any provisions made in the budget estimate for such expenditure.

6.8.1 RECOMMENDATIONS:

- (i) The attention of the Budget Officers is hereby drawn to expenditure of this nature to accommodate them into the budget estimates during budget preparation or budget review exercise.
- (ii) The Accountants who fail to draw the attention of the concerned Officers to expenditures of this nature should be sanctioned.

6.9 REVENUE GENERATED BUT NOT CAPTURED BY IGR PLATFORM.

Despite my repeated comments in the past Auditor-General's Reports on this issue, the recommendation that all data on State IGR should be submitted to SIRS for record purposes by the Treasury or any other special Agency that collected any revenue in the State on

monthly or quarterly basis had not been implemented. Non inclusion of these revenues in the IGR platform of SIRS may fuel the speculation that these revenues were collected and misappropriated.

6.9.1 RECOMMENDATION:

Submission of all data on State IGR to SIRS is germane to declaration of accurate and correct IGR figure for the State.

6.10 OUTSTANDING LOSSES:

Outstanding losses which amounted to **N107,384,799.20** and reported as **Appendix 'A'** were yet to be attended to by some of the affected MDAS despite repeated comments on the issue in past reports. The Accounting Officers of the affected MDAS had made no effort to recover the losses. The Public Accounts Committee is urged to take necessary action as recommended in **Appendix 'A'**

6.11 DISPOSAL OF UNSERVICEABLE ITEMS IN THE STATE:

My comments in 2016 Auditor-General's Report on actual number of vehicles and other items disposed at the Ekiti State House of Assembly and the sales proceed which could not be ascertained by the Audit remain unchanged. The complete report of Board of Survey from the Ekiti State House of Assembly had not been submitted to my office as at 31st December, 2018.

6.11.1 RECOMMENDATION:

- (i) The Director of Administration and Supply (DAS) of Ekiti State House of Assembly should forward a complete report of all items sold by the Board of Survey to the Ekiti State Auditor-General without further delay.

6.12 STATE INVESTMENTS:

The management of Government stock had been transferred to Fountain Holdings Limited since year 2011. The State had appointed Stock Managers to manage the Stocks on behalf of the State Government. Details of their activities are with the State Finances Department of the Ministry of Finance.

The audited Financial Statements of the Holdings had not been submitted to my office since inception and the stock was not reflected in the State's Annual Financial Statements.

6.12.1 RECOMMENDATIONS:

- (i) There is an urgent need to conduct a forensic investigation on the organization since inception.
- (ii) The Public Accounts Committee of Ekiti State House of Assembly should take a critical look at the case of Fountain Holdings for appropriate action.

- (iii) The enterprise should be repositioned to become a viable organization that will professionally manage Government investments to generate earnings and harness the economic potentials of the State for revenue enhancement and employment generation.
- (iv) The Management of the Holdings should forward the current position of the stock to the Office of the State Auditor-General for perusal.

6.13 DEFRAYING PUBLIC DEBTS IN EKITI STATE

The Accountant-General's disclosure of Public debt is always found to be deficient yearly. The consequence is that Government's attention is not drawn to some elements of the debt which may impact on good governance. Outstanding salaries/emoluments disclosed has not been including unpaid furniture allowance.

Audit is of the opinion that Government debts in this regard should not be allowed to continue to accumulate, rather a strategy should be put in place to tackle the payment. It is suggested that the furniture allowance should be categorised as follows:

- (i) Amount owed before the inauguration of this Administration
- (ii) Furniture allowance falling due since the advent of this Administration.

Those falling due now should be paid as they fall due while those owed before this Administration should be settled as the officer retire instead of cumulating all the debts on gratuity.

In my opinion, those paid will wish the Government well and used the money to affect Ekiti State economy positively. Also the pressure on gratuity will be reduced as it is easier to pay a few officers monthly than settling the accumulated gratuities later.

6.14 REVIEW OF THE FINANCIAL ADMINISTRATION:

There is the need to review the current Financial Administration being used in the State to reflect the newly introduced Accounting standards and establishment of Central Internal Audit. It is observed that copies of the current Financial Administration are no longer available as those who wanted to buy could not get them at Civil Service Commission or at Office of Establishments and Training.

6.14.1 RECOMMENDATION:

The present copy of the Financial Administration could be made available on the website of Ekiti State Government for any user to download.

6.15. PAYE TAX DEDUCTIONS:

It was observed that the State owned Tertiary Institutions have not been deducting Tax from Staff salaries in accordance with Personal Income Tax Act 2011 (PITA). This has led to a situation where Civil Servants who are less paid pay more Tax than workers in the Tertiary Institutions who are better paid. The concomitant effect is a serious shortfall in the taxes collected leading to reduced Internally Generated Revenue. By my estimates, the State stands a chance of collecting over N22 Million from Ekiti State University and over N80 Million from all Tertiary Institutions in the State monthly if PITA is correctly applied.

6.15.1 RECOMMENDATIONS:

- (i) The Ministry of Finance should issue another letter to supersede the one purportedly issued by the last Administration and which is the basis of the wrong deduction.
- (ii) PAYE Taxes should be based on PITA (2011) as amended.

6.16 ABANDONED PROJECTS:

It is worrisome to note that some projects executed by the past administrations were left abandoned and have become den for hoodlums. Some of the projects are:

- (i) Oba Adejuyigbe Hospital, Agric Olope, Ado-Ekiti.
- (ii) Multi-purpose Civic Centre, Fajuyi, Ado-Ekiti.
- (iii) Office Complex at the State Secretariat, Ado-Ekiti.
- (iv) Spare parts Market along Federal Polytechnic Road, Ado-Ekiti.
- (v) Oduduwa Farmer's Academy, Isan.
- (vi) Transposer Boosting Stations across the State.

Apart from the economic benefits that the completion of these projects will bring to the State if completed, the avoidable cost of variation on the said projects will become a heavy burden in the nearest future, if the projects are left unattended to now.

It was noted by Audit that work had already started in some of these projects. Government should intensify efforts to complete the projects.

6.16.1 RECOMMENDATIONS:

- (i) It is suggested that a given percentage of the State's Annual Budget should be dedicated to attending to these un-completed projects.
- (ii) The spare parts Market along Poly road should be allocated on "complete and use basis"

6.17 OUTSTANDING ISSUES IN PREVIOUS AUDITOR-GENERAL'S REPORT

Many issues raised and recommendations made in the past Auditor-General's Reports were left unattended to by the concerned MDAs. It must be noted here that the essence of the Auditor-General's Report is to expose the weaknesses and flaws in the Financial Management System and to recommend ways to strengthening same to ensure transparency and accountability in the management of public finances which is the hallmark of good governance.

6.18 POSITION OF ACCOUNTS IN EDUCATIONAL INSTITUTIONS/PUBLIC SECONDARY SCHOOLS.

The accounts of One Hundred and Ninety Four (194) Public Secondary, Technical and Special Schools for the year 2017/2018 had been checked with the necessary corrections made by this Office.

Out of One Hundred and Ninety Four (194) public schools in the State, One Hundred and Thirty Eight (138) schools had been audited. Work is in progress on the auditing of Seven (7) schools, while Forty Nine (49) schools were yet to be audited as at the time of writing this report.

However, most of the anomalies mentioned in paragraph (2) of the 2008 Auditor-General's Report still remain.

It is equally sad to note that no effort was made to recover the outstanding amount of ₦11,271,572.70 being loss of fund reported in paragraph a (b) of the 2009 Auditor-General's Report and included in this Report as **Appendix 'B'** while **Appendix 'C'** contains the current position of the accounts of all Public Secondary Schools in the State.

6.19 TERTIARY INSTITUTIONS

The state of the accounts of the Tertiary Institutions in the State is as listed below:

S/N	INSTITUTION	PERIOD
1	Ekiti State University, Ado-Ekiti	31 st December, 2016 (WIP)
2	College of Education, Ikere-Ekiti	31 st December, 2014
3	College of Health, Science & Technology, Ijero	31 st December, 2018

6.20 GOVERNMENT CORPORATIONS AND GOVERNMENT AGENCIES:

Despite my repeated comments in previous Auditor-General's Reports the accounts of the following Corporations /Agencies had not been audited:

1. State Universal Basic Education Board

2. Ekiti State Electricity Board
3. Ekiti State Water Corporation
4. Fountain Holdings Ltd.
5. Ekiti State Housing Corporation
6. Ekiti State Sports Council

The position of Accounts of the various Parastatals is contained in **Appendix 'D'** to this report.

6.21 ISSUES REQUIRING GOVERNMENT ATTENTION IN THE OFFICE OF THE STATE AUDITOR-GENERAL.

6.21.1 AUDIT STAFF TRAINING AND DEVELOPMENT

Staff training and development is essential to enhance the productivity of any establishment as employees learn specific knowledge or skills to improve performance. To keep staff abreast of innovations in Accounting and Auditing, Government should train more staff especially in the area of ICT, Forensic Audit, IPSAS Accrual, Risk based Auditing, Taxation, Project Monitoring and overseas training organised by INTOSAI to update their knowledge. I wish to acknowledge here that the Office is now deriving benefits from the training provided for few members of staff. The trained staffs are adding value to the Office.

6.21.2 FINANCE:

The Office of the State Auditor-General was not adequately funded in the year under review and this had affected the capacity of the Office to discharge its duties efficiently.

There is no doubting the fact that Audit stands as the interface between the Government and the Public. Audit is the only constitutionally established body that gives credibility to the Finances of the Government before the Public. Therefore, such an Office should be adequately funded for efficiency and effectiveness.

My Office should be funded in equal monthly instalments once budget is approved by the House of Assembly as stated in the State Audit Law section 41(3) to guarantee some level of financial independence and as practiced by other States.

6.21.3 AUDIT LAW

Good governance has its bedrock in accountability and independent audit institutions.

Though, the Office of the Auditors – General in Nigeria are granted independence by the provisions of sections 85 and 125 of the 1999 Constitution as amended, much still has to be done in giving effect to the spirit of the Constitution.

The State Government took the right step towards the passage of Audit Bill into Law in 2014. Whatever expedient reviews that have to be carried out on the Law to allow for its full implementation should be speedily concluded. Without the full implementation of the Audit Law, the Auditor-General lacks the desired practical independence.

6.21.4 ACCOMODATION:

The present Headquarter Office can only accommodate the Directors and the Deputies. There is the need to provide accommodation for the remaining staff for convenience and efficiency.

6.21.5 STAFF DISPOSITION:

The staff strength of the Office remained grossly inadequate. It shall therefore be appreciated if existing vacant positions are filled by the State Government to enhance efficiency and effectiveness.

6.21.6 OFFICIAL CARS:

Presently, the Auditor-General has no Official vehicle despite the fact that sometimes he has to attend meetings, conferences and seminars outside the State in furtherance of the performance of his official duties. Also, the Directors have no official cars.

Official cars should be provided for the Auditor-General and the Directors for efficiency and effectiveness.



Daniel A. Kayode (FCNA,FCFIP,ACTI)
FRC/2014/ANAN/00000010277
Auditor-General,
Ekiti-State.

APPENDIX 'A'

DETAILS OF LOSS OF FUND AS AT 31ST DECEMBER, 2018.

MINISTR/AGENCY	Ref NO	AMOUNT INVOLVED ₦	AMOUNT RECOVERED ₦	OUTSTANDING BALANCE ₦	NAMES OF OFFICER INVOLVED	REMARKS
MINISTRY OF JUSTICE	EK/GJS/2/1	103,942.00	-	103,942.00	Mr.FemiOmotayo	No recovery
MINISTRY OF JUSTICE	EK/GL/MJS/1/5	214,927.61	-	214,927.61	Mr.FemiOmotayo	No recovery
EKITI SPEB	EK/GL/ESTAB/1/3	41,000.00	-	41,000.00	Mr.E.O.Alo	No recovery
BULK PURCHASE VENTURES	EK/GL/BPV/1/3	660,950.00	-	660,950.00	Mr. P.O. Orimolade	No recovery
BULK PURCHASE VENTURES	EK/ GL/BPV/2/4	98,970.00	-	98,970.00	Mr M.A Alade	No recovery
OFFICE OF MILITRY ADMINISTRATION	EK/ GL /GKP/1/29	210,980.00	-	210,980.00	Mr.O.OOluyede	No recovery
MINISTRY OF WORKS AND TRANSPORT	EK/ GL/SHLB /1	1,529,267.03	-	1,529,267.03	Mr.O.Ooluyede	No recovery
MINISTRY OF EDUCATION	EK/GL/MED/1/97	250,000.00	-	250,000.00	Mr. C. O Afolayan	Under correspondence
B.S.E.S	EK/ GL /BSES/1/2003	46,176.00	-	46,176.00	Mr OluAkerere	Under correspondence
B.S.E.S	EK/ GL /BSES/5/2003	615,000.00	-	615,000.00	Messer Martins Ayoola and Others	Full Recovery
B.S.E.S	EK/ GL /BSES/6/3002	521,000.00	-	521,000.00	Mr Abiodun Ola Ofe	No recovery
C.U.D.A	EK/GL/CUDA/1/3	8,096,217.96	-	8,096,217.96	Messer I.A Ilori and Others	No recovery
C.U.D.A	EK/GL/CUDA/14/4	5,201,642.08	-	5,201,642.08	Mrs Falodun And Mr Akinyemi	No recovery
MIN.OF EDUCATION	EK/GL/MED/2	1,041,730.00	-	1,041,730.00	Mr.Kboluwade	No recovery
ACC. GEN. OFFICE	EK/GMD/AG/6/84	2,767,901.00	-	2,755,901.00	Mr P. Adeniyi	Not fully recovered

ACC. GEN. OFFICE	EK/GMD/AG/6/84	449,500.33	191,756.00	257,744.33	Mr. J.O Ajayi	Not fully recovered
ACC. GEN. OFFICE	EK/GMD/AG/6/84	723,942.66	150,000.00	573,942.66	Mr. J.O Olofin	Not fully recovered
ACC. GEN. OFFICE	EK/GMD/AG/6/84	284,366.89	32,000.00	252,366.89	Mr. J.O Ogunmiloye	Not fully recovered
ACC. GEN. OFFICE	EK/GMD/AG/6/84	361,965.51	12,000.00	349,965.51	Mr. J.A Morakinyo	Not fully recovered
ACC. GEN. OFFICE	EK/GMD/AG/6/84	1,105,000.00	-	1,105,000.00	Mr. P Omotoso	Not fully recovered
ACC. GEN. OFFICE	EK/GMD/AG/6/84	608,052.00	100,000.00	508,052.00	Mr E.T Olaiya	Not fully recovered
ACC. GEN. OFFICE	EK/GMD/AG/6/84	55,000.00	20,000.00	35,000.00	Mr S.A. Ojo	Not fully recovered
ACC. GEN. OFFICE	EK/GMD/AG/6/84	1,211,756.41	400,000.00	811,756.41	Mr.Omoloje	Not fully recovered
ACC. GEN. OFFICE	EK/GMD/AG/6/84	50,000.00	42,000.00	8,000.00	Mr. E. Abiodun	Not fully recovered
ACC. GEN. OFFICE	EK/GMD/AG/6/84	76,000.00	60,000.00	16,000.00	Mr. N.A Adegbaje	Not fully recovered
B.I.R	EK/GL/BIR/2006	3,417,567.72	996,000.00	2,421,509.72	Mr. S.O. Abe	Not fully recovered
GAD	EK/GLS/GAD/02/2007	10,000,000.00	-	10,000,000.00	Pastor F.I Akinluyi	No recovery
GAD	EK/GLS/GAD/03/2007	47,550,000.00	-	47,550,000.00	Pastor F.I Akinluyi	No recovery
EKROMA	EK/GL/EKROMA/1/2006	4,700,000.00	-	4,700,000.00	Mr.TayoOke	No recovery
SEPA	AQ/SEPA/02/1/18	15,600,000.00	-	15,600,000.00	Mr. Agana O.S (PM)	No Recovery
	TOTAL	107,591,555.20	206,756.00	107,384,799.20		

APPENDIX 'B'

OVERLOADING OF SALARY PAYMENT VOUCHERS OF PUBLIC SECONDARY SCHOOLS IN EKITI STATE

S/NO	NAME OF SCHOOL	PERIOD OF LOSS	AMOUNT INVOLVED ₦	TOTAL RECOVERY ₦	AMOUNT OUT-STANDING ₦	PRINCIPAL'S NAME	BURSAR'S NAME	REMARK
1	Osi Jnr. H/S, Osi-Ekiti	Nov.-Dec.,2006	94,000.00	-	-	Mr. F.A. Ogunnike	Mr.Abolarin	
2	Elo Jnr. H/S, AiyetoroEkiti	Apr.-Jun.,2008	90,000.00	90,000.00	-	Mr.Adeosun	Mr. B. E. Oye	
3	Ojo-Ugbole Jnr. H/S, IgboleEkiti	June,2008	42,174.58	-	42,174.58	Mr.C.A. Ajiniran	Miss Isiaka S. B.	
4	Orin Jnr. H/S, Orin Ekiti	Apr.-Jun., 2008	78,700.68	-	-	Mr.J.K. Adeleye	Mr.Abolarin O.	
5	Arinjale Com. Jnr H/S, IseEkiti	May-Jun.,2008	64,960.00	64,960.00	-	-	Mr.O.J.Ojo	
6	Obada Jnr. H/S, IseEkiti	Jan., 2008	40,999.99	-	40,999.99	-	Mr. S. K. Oni	
7	United Comp. Snr. H/S, IseEkiti	Apr.,2006-Jun.,2008	1,755,017.13	-	1,755,017.13	Mr.S.S. Alarde	Mr. Y. A. Adegbola	
8	United Comp. Jnr. H/S, IseEkiti	Jul.2007-Jun.,2008	731,907.07	-	731,907.07	Mr.M.A.Abegunde	Mr.C. Owonifari	
9	Ise Comp. Snr. H/S, IseEkiti	Apr.2006-Jul.,2008	1,247,932.45	-	1,247,932.45	Mr. S. Olowolafe	Mr.S. Ekundayo	
10	OgbeseSnr. H/S, IseEkiti	Dec.2006-Jun.2008	3,029,276.47	-	3,029,276.47	Mr. O. Faturoti	Mr.M. A. Afuye	
11	Ise Comp. Jnr. H/S	Mar. 2008	27,759.61	-	27,759.61	Mr E.O.Ojo	Mr. E.M Asubiojo	
12	Akinluse Com. Snr. H/S, IseEkiti	Feb. – Mar. 2008	136,486.69	96,000.00	40,486.69	Mr.B.O. Alabi	Mr.Anjorin	
13	Comm. Snr. OrunEkiti	May 2008	20,000.00	20,000.00	-	Mr.Oyebanji	Mr. S.M Faaji	
14	Comm. Ser. H/S, AyegbajuEkiti	July 2006	81,724.16	82,210.00	(484.84)	Mr. M.A Onurin	Mr.Owolabi	Rec. 31/11/06

15	Itaji Comm. Snr. Girl/S, ItajiEkiti	Apr. – Jun. 2008	300,464.08	300,000.00	464.08	Mr.Ogunleye	Mr.Odeyemi	
16	St. Augustine Com. OyeEkiti	April 2008	46,264.26		46,264.26	Mr. A.T. Ogunruku	D.O. Fashiku	
17	Unity Jnr. H/S, OgotunEkiti	Nov. 2006	23,989.24	24,000.00	(11.00)	Mr Ayeni	Mr.Ayeni	Rec. 25
18	Omoeleye Jnr. H/S, IgbaraOdoEkiti	Jun. 2008	201,000.00	202,000.00	(1,000.00)	Mr. G.A. Jegede	Mr.Akinluya	Rec
19	IlaweSnr. H/S, IlaweEkiti	May 2008	59,029.78	50,000.00	9,029.78	Mr. F.B. Babalola	Mr.Ogunleye	
20	Mary Hill Boys H/S, Ado Ekiti	Mar.2006- Mar. 2008	112,773.91		112,773.91	-	Mr R.O.Fajenbola	
21	Ikere Jnr. H/S, IkereEkiti	Jul-Dec. 2007	302,080.68	101,700.00	200,380.68	Mr.Olatunji&Mr.Ol ajide	Amos Kolawole	
22	A.C. Comp. Jnr. H/S, IkereEkiti (I)	Mar – Jun. 2008	482,896.89	255,140.00	227,756.89	Mrs. F.W. Anifowose	Mr H.F Balogun	
23	A.C Comp. Jnr. H/S IkereEkiti (II)	Apr. 2006 – Feb. 2008	822,451.02	-	822,451.02	Mrs. F.W. Anifowose	Mr H.F Balogun	
24	Emure Model Jnr. H/S, EmureEkiti	Mar. – May 2008	178,663..50	150,000.00	28,663.50	-	Mrs. W.O. Arinde	
25	EporoSnr. H/S, EporoEkiti	May 2008	43,510.00	60,000.00	(16,490.00)	-	Mr. E.A Oyewole	
26	IjalokeSnr. H/S, EmureEkiti	Feb. 2008	20,290.00	20,000.00	290.00	-	Mr.Ogundare	
27	St Michael’s Cath. Jnr. G/S, EfonEkiti	Feb – May 2008	239,996.52	-	239,996.52		Mr.T.T. Oladeji	
28	EfonSnr. H/S, EfonEkiti	Feb-May 2008	275,880.98	275,000.00	(111.02)	Mr.Adeniyi	Mr.O. Adesola	
29	Iloro Com. Jnr. H/S, IloroEkiti	2006 L/B & Feb. 2008	37,004.44	-	37,004.44	Mr F.F. Ojo	Mr.D.O. Adeosun	
30	Ekamefa Com. Snr. H/S, Ape AraEkiti	June, 2008	60,748.38	61,000.00	(251.62)	Mr. S.A Ogunleye	Mr.J.O. Faola	
31	Odoowa Com. H/S, OdoowaEkiti	May – June 2008	199,007.17	-	199,007.17	Mr. J.O. Kolawole	Mr.I.OAflplabi	

32	Ipoti Jnr. H/S, IpotiEkiti	May - June 2008	129,952.22	-	129,952.22	Chf. J.A.Ajiteru	Mr.J.O. Adeogun	
33	IpotiSnr. H/S, IpotiEkiti	June 2008	76,314.55	-	76,314.55	Mr. W.B. Ojo	Mr.L.OAgunbiade	
34	Ijanmodu Comp. H/S, IjanEkiti	Jan. 2007	25,017.02	-	25,017.02	Mr.Oguntimehin	Mrs.O.AAkinyede	
35	Aisegba Com. Jnr. H/S, AisegbaEkiti	May 2007 – Mar. 2008	1,140,074.18	189,000.00	951,074.18	Mr.Aruleba	Mr.F. Asepari	
36	Ileowuro Jnr H/S AgbadoEkiti	Jul. 2006	80,484.74	-	80,484.74	Mr. J.O. Agbebami	Mr.A. Adaramodu	
37	Ayeteju Com. Jnr. H/S, IroEkiti	Feb. – Jul. 2007	226,678.64	-	226,678.64	-	-	
38	Edu Jnr. H/S, ErioEkiti	May 2008	50,000.00	-	50,000.00	Mr.Onipede	Mrs.Omotola	
39	Edu Jnr. H/S, ErioEkiti	May 2008	18,317.39	20,000.00	(1,682.61)	Rev. E.A. Ige	Mr.W.O. Fagbamila	
40	Aramoko Jnr. H/S, Aramoko	May 2008	50.000	-	50.000	?	?	
41	OloketuyiMem. Jnr. H/S, IgbemoEkiti	Sept. 2006	16,286.71	-	16,286.71	Mrs. Awe	Mrs.R.SOjo	
42	Egriroke Jnr. H/S, IyinEkiti	Jun. 2007 – Mar. 2008	312,260.67	-	312,260.67	Elder Fadore	AdemiluaOjo	
43	Eyemote Jnr H/S, IyinEkiti	May, 2008	44,112.36	-	44,112.36	Mrs.Adewale	Mrs.Aluko	
44	Iworoko CHS, IworokoEkiti	Mar. 2008	71,916.34	-	71,916.34	Chf. Bamigboye	Mrs.Aguda	
45	Ekiti Bapt. Jnr H/S IgedeEkiti	Apr. – May 2008	300,000.00	300,000.00	-	Mrs M.A. Jegede	Adeosun	
46	AmunuSnr. H/S, OmuoEkiti	Oct. 2006 – Jan.	50,672.30	-	50,672.30	-	Mr.Fadipe	
47	Ekamefa Comp. Jnr. H/S, IlasaEkiti	May 2006, Nov. 2007 & Oct. 2008	47,362.66	-	47,362.66	Mr.Bolarinwa	J.B. Aladesuyi	

48	Obedu Com. Snr. H/S, IsinbodeEkiti	Jan. 2007 & Feb. 2008	71,880.94	-	71,880.94	Mr.Oloodoye	Mr.Odetoye	
49	OmuokeSnr. H/S, OmuoEkiti	Nov – Dec. 2006	75,262.30	-	75,262.30	-	Mr.P.S. Akeju	
	TOTAL		13,633,582.70	2,361,010.00	11,271,572.70			

APPENDIX 'C'

LIST OF AUDITED SCHOOLS 2017/2018 ACADEMIC SESSION

S/N	NAMES OF SCHOOL	DATE LAST AUDITED
1	Ado Grammar School, Ado-Ekiti	31 st August, 2018
2	Mary Immaculate Grammar School Ado-Ekiti	- do -
3	Christ School, Ado-Ekiti	- do -
4	All Souls Ang. School, Ado-Ekit	- do -
5	Mary Hill High School, Ado-Ekiti	- do -
6	Baptist High School, Ado-Ekiti	- do -
7	Ola Oluwa Muslim Grammar School, Ado-Ekiti	- do -
8	Ado Community High School, Ado-Ekiti	- do -
9	AUD Comprehensive High School, Ado-Ekiti	- do -
10	Muslim College Ado-Ekiti	- do -
11	C.A.C. Comprehensive High School, Ado-Ekiti	- do -
12	Anglican High School, Ado-Ekiti	- do -
13	Ikingbunsin/Olorunda High School, Ado-Ekiti	- do -

14	Eyemote High School, Iyin-Ekiti	- do -
15	Okunsusi High School, Igede-Ekiti	- do -
16	Awo Community Comprehensive High School, Awo-Ekiti	- do -
17	Iropora High School, Iropora-Ekiti	- do -
18	Iworoko Community High School, Iworoko-Ekiti	- do -
19	Are/Afao Community High School, Are/Afao-Ekiti	-do-
20	Igbemo Community High School, Igbemo-Ekiti	- do -
21	Eyio Community School, Eyio-Ekiti	- do -
22	Oloketuyi Grammar School, Igbemo	- do -
23	Christ Girls School, Ado-Ekiti	- do -
24	Ekiti Baptist High School, Igede-Ekiti	- do -
	IJERO LOCAL GOVERNMENT	
25	Ipoti High School, Ipoti-Ekiti	- do -
26	Orisumbare Community High School, Ijero	- do -
27	Doherty Memorial Grammar School, Ijero	- do -
28	C.A.C. High School, Ijero-Ekiti	- do -
29	Iroko Comprehensive High School, Iroko-Ekiti	- do -
30	Ara Comprehensive High School, Ara-Ekiti	- do -
31	Babatope Memorial Grammar Scholl, Iroko-Ekiti	- do -
32	Ipoti Community High School, Ipoti-Ekiti	- do -

33	Esooba Comprehensive High School, Ikoru-Ekiti	- do -
34	Ilukuno Community High School, Ilukuno-Ekiti	- do -
35	Ekameta Community High School, Epe-Ekiti	- do -
36	Ijero High School, Ijero-Ekiti	- do -
37	Ayetoro/Iloro Community High School, Iloro-Ekiti	- do -
38	Iloro Community High School, Iloro-Ekiti	- do -
OYE LOCAL GOVERNMENT		
39	Community High School, Ayebaju-Ekiti	31 st August, 2018
40	Community High School, Osin Osin-Ekiti	- do -
41	Community High School, Itaji-Ekiti	- do -
42	Obalatan Community Grammar School, Ilupeju	- do -
43	Oye egbo High School, Oye-Ekiti	- do -
44	St. Augustine Comprehensive High School, Oye-Ekiti	- do -
IDO-OSI LOCAL GOVERNMENT		
45	Notre Dame High School, Usi-Ekiti	31 st August, 2018
46	Osi Community High School, Osi-Ekiti	- do -
47	Methedist Girls High School, Ifaki-Ekiti	- do -
48	Elo High School, Ayetoro-Ekiti	- do -
49	Orin High School, Irin-Ekiti	- do -
50	Ifaki Grammar School, Ifaki-Ekiti	- do -

51	Usi High School, Usi-Ekiti	- do -
52	Oganganmodu Grammar School, Ido-Ekiti	- do -
53	Ekiti Parapo College, Ido-Ekiti	- do -
	MOBA/ILEJEMEJE ZONAL OFFICES	
54	Moba Grammar School, Otun-Ekiti	31 st August, 2018
55	Ijesamodu Comprehensive High School, Ijesamodu-Ekiti	- do -
56	Oniyo Grammar School, Eda-Oniyo-Ekiti	- do -
57	Ifelodun Community High School, Igogo-Ekiti	- do -
58	Ilejemeje Community High School, Iye-Ekiti	- do -
59	Aaye Oja Grammar School, Aaye Oja Ekiti	- do -
60	Saliu Adeoti Memorial Grammar School, Otun-Ekiti	- do -
61	Iludun Grammar School, Iludun-Ekiti	- do -
62	Ikosu Grammar School, Ikosu-Ekiti	- do -
63	Igogo Commercial High School, Igogo-Ekiti	- do -
64	Ewu Comprehensive High School, Ewu-Ekiti	- do -
65	Ipere Comprehensive High School, Ipere-Ekiti	- do -
66	Eyemojo Comprehensive High School, Osan-Ekiti	- do -
	ARAMOKO ZONAL OFFICE	
67	Aramoko District Commercial High School, Aramoko	31 st August, 2018
68	Aramoko Community Grammar School, Aramoko	- do -

69	C.A.C. Grammar School, Efon	- do -
70	Community High School, Okemesi –Ekiti	- do -
71	Efon High School, Efon-Alaaye	- do -
72	Ikogosi Grammar School, Ikogosi-Ekiti	- do -
73	Ile-Ona Community High School, Aramoko-Ekiti	- do -
74	Ipole/Iloro Community High School, Ipole-Ekiti	- do -
75	Erijiyan Community High School, Erijiyan-Ekiti	- do -
76	Anglican High School, Efon	- do -
	IKOLE ZONAL OFFICE	
77	Egbeoba High Scholl, Ikole-Ekiti	31 st August, 2018
78	Fiyinfolu Comprehensive High School, Ayedun-Ekiti	- do -
79	Holy Apostolic High School, Ikole-Ekiti	- do -
80	Ikole City College, Ikole-Ekiti	- do -
81	Odundun High School, Odo Ayedun-Ekiti	- do -
	ILAWE ZONAL OFFICE	
82	Ojorube Grammar School, Ogotun-Ekiti	31 st August, 2018
83	United High School, Ilawe-Ekiti	- do -
84	Community High School, Igbara-Odo-Ekiti	- do -
85	Ogotun Unity Secondary School, Ogotun-Ekiti	- do -
86	Omoleye Community High School, Igbara Odo	- do -

87	Ogotun High School, Ogotun-Ekiti	- do -
88	Alarelu Comprehensive High School, Igbara Odo	- do -
89	Corpus Christi College, Ilawe-Ekiti	- do -
	EKITI EAST/GBOYIN ZONAL OFFICE	
90	Ekamefa Community Grammar School, Ilasa-Ekiti	31 st August, 2018
91	Aisegba Comprehensive High School, Aisegba-Ekiti	- do -
92	Ile-Owuro High School, Agbado-Ekiti	- do -
93	New Era College, Ode-Ekiti	- do -
94	Omuo Comprehensive High School Omuo-Ekiti	- do -
95	Omuo-Oke Grammar School, Omuo Oke Ekiti	- do -
96	Ifelodun Community Grammar School, Ikun Araromi	- do -
97	Ayo Daramola Grammar School, Ijan-Ekiti	- do -
98	Methodist High School, Egbe-Ekiti	- do -
99	Aisegba Community High School, Aisegba-Ekiti	- do -
100	Methodist High School, Isinbode-Ekiti	- do -
101	Ode High School, Ode-Ekiti	- do -
102	Omuo Ore Secondary School, Omuo-Ekiti	- do -
103	Methodist High School, Isinbode-Ekiti	- do -
104	Ayeteju Comprehensive College, Iro/Ayeteju-Ekiti	- do -
	IKERE BRANCH OFFICE	

105	Annunciation School, Ikere-Ekiti	31 st August, 2018
106	St. Louis Grammar School, Ikere-Ekiti	- do -
107	African Church Comprehensive High School, Ikere-Ekiti	- do -
108	Eleyo High School, Ikere-Ekiti	- do -
109	Amoye Grammar School, Ikere-Ekiti	- do -
110	Ikere High School, Ikere-Ekiti	- do -
111	Ajolagun High School, Ikere-Ekiti	- do -
112	Irepodun Community High School, Ikere-Ekiti	- do -
113	A.U.D. Comprehensive High School, Ikere-Ekiti	- do -
114	United Comprehensive High School, Ise-Ekiti	- do -
115	Orun Community Grammar School, Ise-Ekiti	- do -
116	Obada High School, Obada Ise-Ekiti	- do -
117	Ogbese Community High School, Ise-Ekiti	- do -
118	Akinluse Comprehensive High School, Ise-Ekiti	- do -
119	Arinjale Comprehensive High School, Ise-Ekiti	- do -
120	Ise Comprehensive High School, Ise-Ekiti	- do -
121	Adetunji Ajayi Secondary School, Ise-Ekiti	- do -
122	Orija High School, Emure-Ekiti	- do -
123	Ajebandele Community High School, Emure-Ekiti	- do -
124	Illumoba Community High School, Iluomoba Ekiti	- do -

125	Emure Model High School, Emure-Ekiti	- do -
126	Ijaloke High School, Emure-Ekiti	- do -
127	Eporo High School, Eporo-Ekiti	- do -
128	Oniwe Comprehensive High School, Ilawe-Ekiti	- do -

OUTSTANDING ACCOUNTS

S/N	NAME OF SCHOOLS	DATE LAST AUDITED
1	Egriri Oke High School, Iyin-Ekiti	31 st August, 2016
2	Esure Community High School, Esure-Ekiti	31 st August, 2017
3	Oke oro/Iroko Comprehensive High School, Oke Oro	- do -
4	Ijurin Comprehensive High School, Ijurin-Ekiti	31 st July, 2016
5	Ayegunle/Temidire Comprehensive High School, Ayegunle	31 st June, 2016
6	Isan Secondary School, Isan-Ekiti	31 st August, 2017
7	Itapa/Osin Comprehensive High School, Itapa/Osin-Ekiti	31 st August, 2017
8	Omu/Ijelu High School, Omu/Ijelu-Ekiti	31 st August, 2017
9	A.U.D. High School, Ire-Ekiti	31 st August, 2017
10	Ogunnire Comprehensive High School, Ire-Ekiti	31 st August, 2017
11	Ilupeju High School, Ilupeju-Ekiti	31 st August, 2017
12	Ayede Grammar School, Ayede-Ekiti	31 st August, 2017

13	Ora Community High School, Ora-Ekiti	31 st August, 2016
14	Ojo Ugbole High School, Ugbole-Ekiti	31 st August, 2017
15	Ilogbo High School, Ilogbo-Ekiti	31 st August, 2017
16	Methodist High School, Aaye-Ekit	31 st August, 2017
17	Ifisin Community High School, Ifisin-Ekit	31 st August, 2017
18	Epe High School, Epe-Ekiti	31 st August, 2017
19	Alamoye Comprehensive High School, Aramoko-Ekiti	31 st August, 2017
20	Ajinare High School, Ido-Ile Ekiti	31 st August, 2017
21	Apostle Babalola High School, Efon Alaaye	31 st August, 2017
22	Erin Ayonigba Comprehensive High School, Erinjiyan	31 st August, 2017
23	Edu High School, Erio-Ekit	31 st August, 2017
24	Fabunmi Memorial Grammar School, Okemesi-Ekiti	31 st August, 2017
25	Okemesi Grammar School, Okemesi-Ekiti	31 st August, 2017
26	St. Micheal Catholic School, Efon Alaaye	31 st August, 2017
27	AUD High School, Ikole-Ekiti	31 st August, 2017
28	Ayebode High School, Ayebode-Ekiti	31 st August, 2017
29	Ara Community High School, Ara-Ekiti	31 st August, 2017
30	Community High School, Irele-Ekiti	31 st August, 2017
31	Community High School, Oke-Ako Ekiti	31 st August, 2017
32	Irepodun High School, Ipao-Ekiti	31 st August, 2017

33	Ijesa/Isu Comprehensive High School, Ijesa-Isu Ekiti	31 st August, 2017
34	Itapaji High School, Itapaji-Ekiti	31 st August, 2017
35	Iyemero Community High School, Iyemero-Ekiti	31 st August, 2017
36	Odo-Oro High School, Odo Oro-Ekiti	31 st August, 2017
37	Orin-Odo High School, Ikole-Ekiti	31 st August, 2017
38	St. Mary Anglican Girl's School, Ikole-Ekiti	31 st August, 2017
39	Amunu Comprehensive High School, Omuo-Ekiti	31 st August, 2017
40	Community Grammar School, Ikota-Ekiti	31 st August, 2017
41	Isedo Community High School, Omuo-Oke	31 st August, 2017
42	Obedu High School, Isinbode-Ekiti	31 st August, 2017
43	Eda-Ile Community High School, Eda-Ile	31 st August, 2017
44	Ujilogun High School, Ilupeju-Ijan-Ekiti	31 st August, 2017
45	Sola Babalola Memorial High School, Iro-Ekiti	31 st August, 2017
46	Ijanmodu Comprehensive High School, Ijan-Ekiti	31 st August, 2017

(UNAUDITED ACCOUNTS)

SPECIAL SCHOOLS

S/N	NAME OF SCHOOLS	DATE LAST AUDITED
1	Government Technical College, Otun-Ekiti	31 st August, 2017
2	Government Technical College, Igbara-Odo	31 st August, 2017
3	Government Technical College, Ikole-Ekiti	31 st August, 2017

SPECIAL SCHOOL (AUDITED ACCOUNTS)

S/N	NAME OF SCHOOLS	DATE LAST AUDITED
1	Government College, Ado-Ekiti	31 st August, 2018
2	Government College, Efon Alaaye	31 st August, 2018
3	Government College, Usi-Ekiti	31 st August, 2018
4	School for the Physically Challenged Ido-Ekiti	31 st August, 2018
5	School for the Deaf, Ikere-Ekiti	31 st August, 2018
6	Government College, Ikere-Ekiti	31 st August, 2018
7	Government Science College, Iyin-Ekiti	31 st August, 2018
8	School for the Blind, Ikere-Ekiti	31 st August, 2018
9	Government College Ayeole	31 st August, 2018
10	Government College Oye	31 st August, 2018

WORK IN PROGRESS

S/N	NAME OF SCHOOLS	DATE LAST AUDITED
1	Amure High School, Ikun Ekiti	2016/2017, 2017/2018
2	Osun Grammer School, Osun Ekiti	2017/2018
3	Erinmope High School, Erinmope Ekiti	2017/2018
4	Odo-Owa Comprehensive High School, Odo Owa EKITI	2017/2018
5	Government Technical College, Ado-Ekiti	2017/2018
6	Government Technical College, Emure Ekiti	2017/2018
7	Government Technical College, Ijero Ekiti	2017/2018

(UNAUDITED ACCOUNTS)

SPECIAL SCHOOLS

S/N	NAME OF SCHOOLS	DATE LAST AUDITED
1	Government Technical College, Otun-Ekiti	31 st August, 2017
2	Government Technical College, Igbara-Odo	31 st August, 2017
3	Government Technical College, Ikole-Ekiti	31 st August, 2017

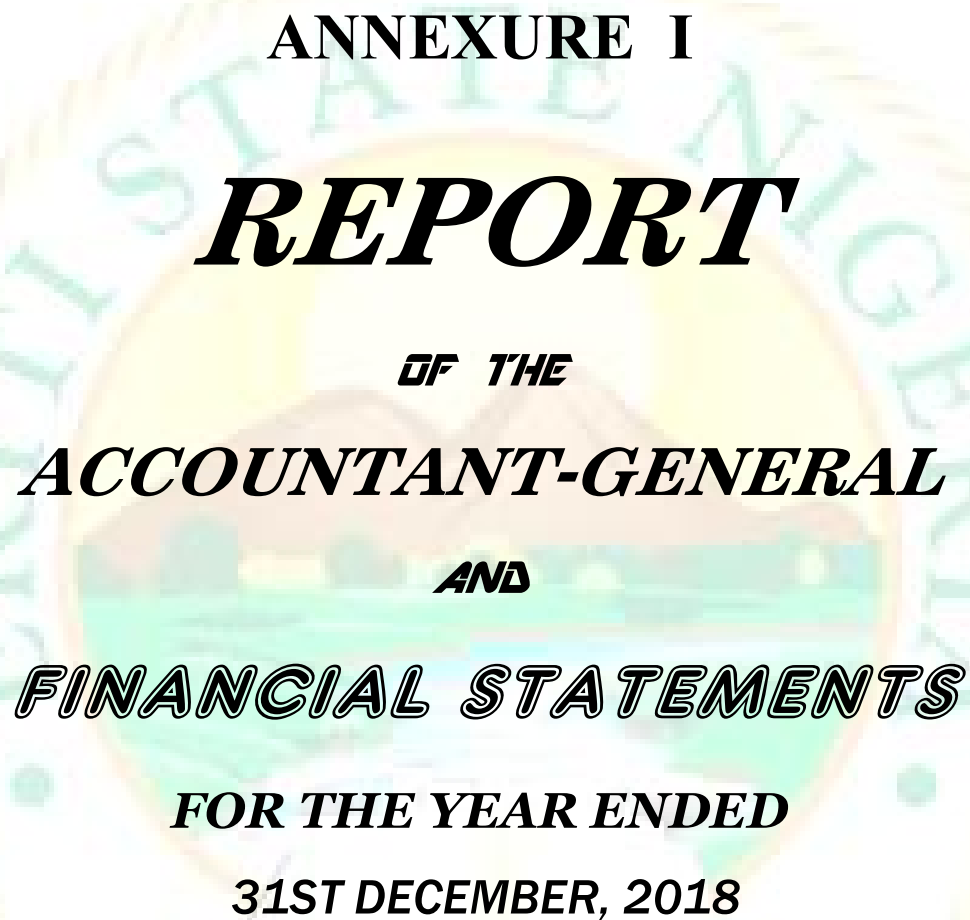
APPENDIX 'D'

**OFFICE OF THE STATE AUDITOR-GENERAL
CORPORATIONS AND GOVERNMENT AGENCIES**

CORPORATIONS AND AGENCIES	POSITION OF ACCOUNTS
1. EDUCATION TRUST FUND	DEC. 2018
2. BOARD OF INTERNAL REVENUE	DEC. 2018
3. EKITI STATE LIBRARY BOARD	DEC. 2017
4. EKITI HOUSING LOANS BOARD	DEC. 2017
5. PENSION BOARD	DEC. 2017
6. COLLEGE OF HEALTH SCIENCE & TECHNOLOGY	DEC. 2018
7. CHRISTIAN PILGRIMS	DEC. 2017
8. URBAN RENEWAL AGENCY	"
9. PRIMARY HEALTH CARE DEVELOPMENT	DEC. 2017
10. DIRECTORATE OF FARM SETTLEMENT	DEC. 2016
11. EKITI STATE TRAFFIC AGENCIES	DEC. 2018
12. BROADCASTING SERVICE OF EKITI STATE	DEC. 2014
13. SACA	DEC.2017
14. EKITI STATE ELECTRICITY BOARD	DEC. 2012
15. EKITI SPORTS COUNCIL	DEC. 2015
16. MUSLIM PILGRIM WELFARE BOARD	DEC. 2016
17. WASTE MANAGEMENT BOARD	DEC. 2017
18. STATE EMERGENCY MANAGEMENT AGENCY	DEC. 2018
19. HOUSING CORPORATION	DEC. 2017
20. EKITI STATE WATER CORPORATION	DEC 2017
21. SCHOLARSHIP BOARD	DEC. 2018
22. ADULT EDUCATION	DEC. 2017
23. SUBEB	DEC. 2018
24. CENTRAL MEDICAL STORE	DEC. 2018
25. FOUNTAIN OF AGRIC & MARKETING AGENCY	DEC 2017



26	ADP	DEC. 2018
27	COLLEGE OF EDUCATION IKERE.	DEC.2015
28	MICRO CREDIT AGENCY	DEC. 2016
29	EKSU (WORK IN PROGRESS)	DEC. 2016
30.	JOB CREATION	DEC. 2016
31.	FOUNTAIN HOLDINGS CO. LTD	DEC. 2018
32	SCHOOL AGRIC AND ENTERPRISE AGENCY	DEC. 2017
33	BOARD FOR TECHNICAL EDUCATION	DEC. 2017
34	EKITI STATE RURAL WATER	DEC. 2016
35.	STATE INDEPENDENT ELECTORAL COMMISSION	DEC. 2018
36	EKITI STATE COMMUNITY DEVELOPMENT AGENCY	DEC. 2016
37	SEPIP	DEC. 2017
38	MINIRAL RESOURCES DEVELOPMENT AGENCY	DEC. 2018
39.	FISCAL RESPONSIBILITY	DEC. 2016
40	EKITI STATE TEACHING HOSPITAL	DEC. 2016
41.	EKITI HEALTH INSURANCE SCHEME	DEC. 2016
42.	EKITI ENTERPRISE DEVELOPMENT AGENCY	DEC. 2017

The seal of Ekiti State, Nigeria, is a circular emblem. It features a central shield with a landscape scene including a river, a bridge, and a sun. The shield is surrounded by a wreath. The words "EKITI STATE NIGERIA" are inscribed around the perimeter of the seal. At the bottom, a red ribbon contains the motto "LAND OF HONOUR".

ANNEXURE I

REPORT

OF THE

ACCOUNTANT-GENERAL

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER, 2018

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REPORT OF THE ACCOUNTANT-GENERAL

I am delighted to present the second transitional Accrual IPSAS Financial Statements of the Ekiti State Government (EKSG) for the Year Ended 31st December, 2018 together with the Auditor's Report on the Financial Statements which include:


- i. Statement of Financial Performance;
- ii. Statement of Financial Position;
- iii. Statement of Change in Net Assets/Equity;
- iv. Statement of Cash Flow; and
- v. Statement of Comparison of Budget and Actual Amounts.

The Financial Statements of EKSG for the year ended 31st December, 2018 have been prepared on an IPSAS Accrual Basis in compliance with International Public Sector Accounting Standards (IPSAS), except Statement of Comparison of Budget and Actual Amounts as permitted by IPSAS 24. The Financial Statements equally complied with Generally Accepted Accounting Principles and Practice (GAAPP) and other Financial Regulations.

The implementation of Accrual Accounting by EKSG will facilitate easy assessment of the financial performance of the State. The Financial Statements depict all expenses whether paid for or not and all revenue whether received or outstanding. Furthermore, it provides useful information on the ability of income streams to adequately cover short and long term liabilities as well as better information on government spending which in turn drives better utilization of government resources.

The Financial Statements fairly reflect the financial position of EKSG as at 31st December, 2018 and its financial performance for financial year under review.

I wish to acknowledge the loyalty and dedication of members of staff of Main Accounts Department and entire staff of Office of the Accountant-General towards the success of this work. I appreciate all Accountants in the Ministries, Departments and Agencies (MDAs) who supplied and defended the data. The support of the State Government for the kind consideration of our request is equally and highly appreciated.


O. O. OWOLABI (MRS) FCNA, FCE, FIICA, ACTI
FRC/2016/ANAN/00000015218
ACCOUNTANT-GENERAL/PERMANENT SECRETARY
EKITI STATE

FINANCIAL HIGHLIGHTS


Operating Surplus for the year was N10,748,897,168.83 while the State made a Net Surplus of N4,338,149,568.44 after adjustment for capital expenditure yet to be recognized in Property, plant and Equipment (PPE) and Public Debt Charges.

Reviewing the year 2018 performance on **Cash Basis** compared to prior year, Recurrent Revenue grew by 17% from N56,791,187,976.54 in 2017 to N66,719,055,756.21 in 2018 while Capital Receipts dropped by 20% from N12,503,926,117.57 in 2017 to N9,997,051,141.08 in 2018. The State Recurrent Expenditure increased by 14% from N58,135,765,434.62 in 2017 to N66,492,183,786.27 in 2018 while a 10% drop from N13,353,306,731.45 in 2017 to N11,966,138,376.61 in 2018 was noted in Capital Expenditure.

During the year, EKSG budgeted N62,781,089,984.71 for Recurrent Expenditure and N45,756,982,828.81 for Capital Expenditure. The actual Recurrent Expenditure was N53,878,549,485.75 while Capital Expenditure was N24,579,772,677.13 representing 86% and 54% performance respectively.

Furthermore, EKSG budgeted N92,417,450,407.84 for Recurrent Revenue and N16,120,622,405.68 for Capital Receipts. The actual Recurrent Revenue was N66,719,055,756.21 while actual Capital Receipt was N9,997,051,141.08 representing 72% and 62% performance respectively.

Details contained in Annexure III.


O. O. OWOLABI (MRS) FCNA, FCE, FIICA, ACTI
FRC/2016/ANAN/00000015218
ACCOUNTANT-GENERAL/PERMANENT SECRETARY
EKITI STATE

RESPONSIBILITY OF THE ACCOUNTANT-GENERAL

The Financial Statements have been prepared by the Accountant-General of Ekiti State in accordance with the provision of the Finance (Control and Management) Act 1958 and Cap 144 LFN and PFM Law 2011 as amended. The Financial Statements complied with Generally Accepted Accounting Practice (GAAP) and was prepared on an Accrual Basis in line with the requirement of International Public Sector Accounting Standards (IPSAS), except Statement of Comparison of Budget and Actual Amounts as permitted by IPSAS 24

The Financial Statements were prepared using the General Purpose Financial Statement (GPFS) reporting format approved by the Federal Executive Council of Nigeria (FEC) in 2012. Ekiti State Government has initiated a three-year transition period to achieve full compliance with the requirements of IPSAS 33. This is the second year of adoption of IPSAS Accrual Basis.

The Accountant-General of the State is responsible for establishing and maintaining an adequate system of internal control to provide adequate and reasonable assurance that the transactions reported are recorded accurately and are within statutory authority.

The Accountant-General ensures the integrity and objectivity of the Financial Statements to fairly reflect the financial position and performance of Ekiti State Government and apply suitable accounting policies, prudent judgments and estimate consistently for the preparation of its financial statements.

The Accountant-General further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements as well as adequate system of internal financial control.



O. O. OWOLABI (MRS) FCNA, FCE, FIICA, ACTI
FRC/2016/ANAN/00000015218
ACCOUNTANT-GENERAL/PERMANENT SECRETARY
EKITI STATE

STATEMENT OF ACCOUNTING POLICIES

BASIS OF PREPARATION

The GPFS are prepared under IPSAS Accrual Basis of Accounting that recognizes transactions and events occurred whether expenses paid for or not and revenue received or outstanding.

BASIS OF MEASUREMENT

The Financial statements have been prepared on historical cost unless stated otherwise.

REPORTING CURRENCY

The Financial Statements are presented in Nigerian Naira, which is the functional currency of Ekiti State Government.

GOING CONCERN

The Financial Statements have been prepared on a going concern basis.

ACCOUNTING PERIODS

The Accounting year is from 1st January to 31st December.

ASSETS AND LIABILITIES

The State Government had commenced the recognition and valuation of Assets and Liabilities which is expected to be completed over the next Three financial years.

FOREIGN CURRENCIES

Liabilities denominated in foreign currencies are translated to Naira at the prevailing official exchange rate as at 31st December, 2018.



OFFICE OF THE STATE AUDITOR GENERAL

State Audit Headquarters, P.M.B. 53554, New Secretariat, Ado-Ekiti, Nigeria.
Tel: 08033784866 E-mail: ekitistateauditorgeneral@gmail.com.

AUDIT CERTIFICATE

I have examined the Financial Statements of Ekiti State Government as at 31st December, 2018 in accordance with section 125 (2) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended). I have obtained information and explanations that I required for my audit.

Ekiti State Government initiated accrual basis IPSAS on 1st January, 2017 and elected to adopt transitional exemptions in IPSAS 33 that allows it to apply deemed cost and a transitional period of up to three years. As a result of adopting these transitional exemptions and provisions, the Ekiti State Government is not able to make an explicit and unreserved statement about its full compliance with accrual basis IPSASs. These financial statements are therefore referred to as the second transitional IPSAS financial statements of Ekiti State Government.

In my opinion, the Financial Statements and the supporting Accounts give a true and fair view of the State of affairs of Ekiti State Government as at 31st December, 2018 subject to further observations in my Reports.

D. A. Kayode (FCNA, FCFIP, ACTI)
FRC/2014/ANAN/00000010277
Auditor-General, Ekiti State.